

***United States Court of Appeals
for the Second Circuit***



APPENDIX

74-1171

APPENDIX

B

IN THE
United States Court of Appeals
FOR THE SECOND CIRCUIT

P/S

NO. 74,1171

AFFILIATED HOSPITAL PRODUCTS, INC.,
Appellant,

v.

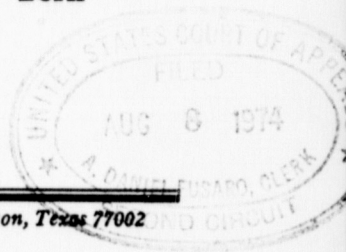
MERDEL GAME MANUFACTURING COMPANY,
WM. RICHMAN ASSOCIATES, LTD.,
BERNARD CAHN,
Appellees.

Appeal from the United States District Court
for the Southern District of New York

RECORD ON APPEAL

Alpha Law Brief Co., One Main Plaza, No. 1 Main St., Houston, Texas 77002

(Filed July ____, 1974)



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CLERK'S DOCKET ENTRIES

69 Civil 1016

69 Civil 1016

CIVIL DOCKET

UNITED STATES DISTRICT COURT

JUDGE TYLER

Jury demand date:

D. C. Form No. 100 Rev.

TITLE OF CASE		ATTORNEYS			
AFFILIATED HOSPITAL PRODUCTS INC.		For plaintiff:			
vs.		KENYON & KENYON 59 Maiden Lane New York, N.Y. 10038			
MERDEL GAME MANUFACTURING COMPANY a corporation WM. RICHMAN ASSOCIATES LTD. a corporation BERNARD CAHN an individual		Arnold, White & Durkee, Esqs. 2100 Tranco Tower, Houston, Texas 7702			
TRADE-MARK INFRINGEMENT 19,996 2-27-66 Plaintiff Renewed 2-27-66 374,800 1-23-1960 " 1-23-60 776,546 9-8-1961 "		For defendant: Robert E. Wagenfeld, (for Merdel Game & 7th South St. Staten Island Bernard Cahn, NY 10303 & Wm. Richman 273-6380 Richfield Ass. Associates). & Bernard Cahn.			
COPYRIGHT INFRINGEMENT 166140 Class AA 4-23-45 Plaintiff		NOTICE OF CHANGE OF ADDRESS OF COUNSEL Robert E. Wagenfeld 403 St. Pauls Ave. 10304 Staten Island New York 271-6380 Warren, Norcross & Judd 900 Old Kent Bldg. Grand Rapids, Mich. 49502			
STATISTICAL RECORD	COSTS	DATE	NAME OR RECEIPT NO.	REC.	DISP.
J.S. 5 mailed X	Clerk	2-27-66	1000000000	7-1	
J.S. 6 mailed ✓	Marshal	4/23/66	1000000000	5-1	
Basis of Action:	Docket fee				
Breach of contract, for copyright	Witness fees				
ement, and for Trade-Mark					
ement.					
Action arose at:	Depositions				

69 Civil 1016 Affiliated Hospital Products Inc. vs. Merdel Game Manufacturing Co. etano

Date	Event	Date Filed
Mar. 13-69	Filed application for appointment of process server William T. Kelly to serve summons and complaint on Wm. Richman Associates, Ltd. and Bernard Cahn. So ordered. Clerk.	
Mar. 12-69	Filed complaint and issued summons. Mailed notice to Pat. Comm.	
Mar. 13-69	Filed Application and order appointing James E. Nicholas to serve summons and complaint on the Secretary of State of the State of New York as agent for defendant Merdel Game Mfg. Co. Clerk.	
Apr. 4-69	Filed Order the debts Wm Richman Asso. Ltd and Bernard Cahn be permitted to an extension of time to 4.15.69 to answer to Pltffs complaint. Cooper, J. Mailed notice	
Apr. 16-69	Filed ANSWER of Deft William Richman Associates Ltd., Bernard Cahn	NEW RE
Apr. 16-69	Filed Notice of Motion re: Dismiss as to deft. Merdel.	
Apr. 16-69	Filed Memorandum in support of motion to dismiss.	
Apr. 23-69	Filed Pltffs notice to take deposition of SttDeft.	
Apr. 28-69	Filed stipulation adjourn motion now ret. 4/29/69 to 5/13/69.	
May 5-69	Filed Deposition of Mr. Albert Del Zoppo	
May 12-69	Filed stipulation adjourning motion now ret. 5/13/69 to 5/27/69.	
Jun 17-69	Filed notice of change of address of counsel for the Pltff.	
Jun 17-69	Filed affidavit of service of Allan T. Bowles, on James Nicholas by John W. Brennan on 3.19.69	
Jun 17-69	Filed summons and return Served William Richman Assoc. by William Richman on 3.14.69	
May 28-69	Filed (in court) Affidavit of William T. Kelly.	
May 28-69	Filed (in court) Memorandum in opposition to motion to dismiss.	
Nov. 25-69	Filed MEMO. END. on Memorandum in opposition filed 5/28/69. Defendant's motion is denied. So ordered. McLean, J.	
Jan. 19-70	Filed Plaintiff's First Interrogs. to Merdel.	
Jan. 23-70	Filed Plaintiff's First Amended Complaint.	
Jan. 23-70	Filed ANSWER of Wm. Richman Associates, Ltd. to complaint.	NEW
Jan. 23-70	Filed ANSWER OF DEFT. Bernard Cahn to amended complaint.	"
Jan. 23-70	Filed ANSWER of deft. Merdel Game Mfg. Co. to amended complaint.	"
Jan. 23-70	Filed Notice of taking Testimony.	
Jan. 23-70	Filed Plaintiff's First Interrogatories to deft. Cahn.	
Jan. 23-70	Filed Plaintiff's First Interrogatories to deft. Wm. Richman Associates.	
Jan. 23-70	Filed Plaintiff's Second Interrogatories to deft. Merdel.	
Jan. 23-70	Filed ANSWER of defendant Bernard Cahn to complaint.	NEW
Jan. 26/70	Filed stip and order that plttf be granted leave to file an amended complaint in the form annexed hereto. Tyler J.	
Feb. 4-70	Filed Plaintiff's Second Interrogatories to Deft. Cahn.	
Feb. 5-70	Filed Notice of taking Testimony of Bernard Cahn and others.	
Feb. 5-70	Filed Notice of taking Testimony of Wm. Richman Associates, Ltd. thru its officers.	
Feb. 5-70	Filed Notice of taking Testimony of Merdel Game Mfg. Co. thru its officers.	
Feb. 24, 70	Filed deft Merdel Game Manufacturing Co. Interrogatories to plttf.	
Feb. 24, 70	Filed deft notice of change of address of counsel.	
Feb. 24, 70	Filed deft notice of change of address of counsel.	
Apr. 1-70	Filed Plaintiff's Answers to First Interrogs. directed by deft. Merdel Game Mfg.	
Apr 7-70	Filed plttf's notice to take deposition of Merdel Game Mfg. Co. on 4-22-70.	
Apr 8-70	Filed deft (Wm. Richman Assoc.) answers to plttf's first interrogs.	
pr 8-70	Filed deft (Merdel Game Mfg. Co.) answers to plttf's interrogs.	
pr 10-70	Filed deft. Cahn's answers to first and second interrogs.	
pr 10-70	Filed deft. Cahn first interrogs. to plttf.	
pr. 15-70	Filed plttf's notice to the deposition of C.C. Lundstrom on 4-23-70.	
pr. 17-70	Filed plttf's notice to take deposition of W. Richman on 5-6-70.	
pr. 17-70	Filed plttf's notice to take deposition of A.F. Wells on 4-27-70.	
pr. 17-70	Filed plttf's notice to take deposition of Mac Hanson on 5-8-70.	

DATE	PROCEEDINGS	L. Jud.
APR. 16-70	Filed plttf's notice to take deposition of Stanley Stokes on 4-28-70	
APR. 17-70	Filed plttf's notice to take deposition of Allan Frank on 4-29-70	
APR. 17-70	Filed plttf's notice to take deposition of Bill Roth on 4-30-70	
APR. 17-70	Filed plttf's notice to take deposition of Floyd Sleeper on 5-5-70	
APR. 17-70	Filed plttf's notice to take deposition of William Trau on 5-4-70	
APR. 17-70	Filed plttf's notice to take deposition of Bernard Cahn on 5-7-70	
APR. 30-70	Filed plttf's notice to take deposition of Floyd Sleeper & Floyd Sleeper & Associated on 5-5-70.	
May. 11-70	Filed deposition of Alan F. Wells taken on 4-27-70.	
May. 15-70	Filed arip & order that time of plttf. to answer first interrogs. is ext. to 5-18-70. So ordered. Tyler, J.	
May. 20-70	Filed deposition of William E. Roth taken on 4-30-70.	m/n
Jun. 4-70	Filed deposition of Allen Frank, taken on 4-29-70.	m/n
Jun. 21-70	Filed deposition of Floyd Sleeper taken by plttf. on 5-5-70.	m/n
Jun. 29-70	Filed deposition of Albert Del Zoppo taken on 2-17-18-1970.	m/n
Jul. 9-70	Filed deposition of Bernard Cahn taken on 2-12-70 & 2-13-70. One envelope impounded in vault RM. 602.	
Jul. 9-70	Filed plttf's answers to deft's interrogs. (B. Cahn.	
Jul. 10-70	Filed deposition of Albert J. Del Zoppo taken on 4-15-70.	m/n
Jul. 10-70	Filed deposition of R. L. Erickson taken on 4-14-70.	"
Jul. 10-70	Filed deposition of C. Lindstrom taken on 4-23-70.	"
Jul. 9-70	Filed deposition of William Trau taken on 5-4-70.	"
Jul. 9-70	Filed copies of William Trau deposition as No. 401 to 412.	"
Jul. 15-70	Filed plttf's notice of taking testimony	
Aug. 5-70	Filed amended ANSWER of deft. Wm. Richman Associates, Inc.	
Aug. 5-70	Filed amended ANSWER of deft. Bernard Cahn.	
Aug. 5-70	Filed amended ANSWER of deft. Merdel Game Mfg. Co.	
Aug. 25-70	Filed plttf's notice to take deposition of Merdel Game Mfg. on 9-1-70.	
Aug. 25-70	Filed plttf's notice to take deposition of Ruth Douglas on 8-31-70.	
Sep. 8-70	Filed deposition of Mrs. Ruth G. Douglas taken on 8-31-70.	
Sep. 11-70	Filed letter to Connally, Chief Judge of the USDC of Houston, Texas, from Tyler, J.	
Sep. 25-70	Filed defts' interrogatories to plttf.	
Sep. 25-70	Filed defts' Request For Admissions.	
Oct. 29-70	Filed plttf's answer to defts' interrogs.	
Oct. 29-70	Filed plttf's response to defts' Request for admission.	
Nov. 12-70	Filed plttf's Second set of interrogs. directed to deft. Merdel.	
Nov. 12-70	Filed plttf's Second set of interrogs. directed to deft. Richman.	
Nov. 12-70	Filed plttf's Third set of interrogs. directed to deft. Cahn.	
Nov. 13-70	Filed Motion for consolidation of Pre-trial Proceedings.	
Nov. 13-70	Filed Statement of Question Involved - and Statement of Facts.	
Nov. 13-70	Filed Transcript of record of proceedings.	
Nov. 19-70	Filed deposition of Albert J. Delzoppo, taken on 9-1-70	
Dec. 16-70	Filed plttf's affdvt. of John B. Pope III, that plttf have judgment against defts, etc.	
Dec. 21-70	Filed plttf's answer to interrogs No. 12. of the first set by deft. Cahn.	
Feb. 16-71	Filed plttf's Second Brief opposing motion for summary judgment	
Feb. 16-71	Filed deft Merdel's answer to plttf's second set of interrogs.	
Feb. 23-71	Filed deft affdvt. and notice of motion; Re: Summary Judgment, on 12-18-70, at 2:15 P.M. Received 12-7-70 in chambers.	
Feb. 23-71	Filed plttf's statement of facts concerning motion for summary judgment. Received 12-17-70 in chambers	
Feb. 23-71	Filed plttf's brief in opposition to motion for summary judgment	

AFFILIATED HOSPITAL PRODUCTS, INC VS MERDEL GAME MFG. XXXX CO. ET AL
69 Civ 1016

69 Civ 10

DATE	PROCEEDINGS	Date Ord. Judgment
	Received 12-17-70 in chambers	
Feb. 23-71	Filed plttf's response to defts' allegations of fact Re; Motion for summary judgment. Received 12-17-70 in chambers	
Feb. 23-71	Filed affdvt. of Paul VanSlyke, for plttf. Re; fact concerning a motion for summary judgment. Received 12-17-70 in chambers	
Feb 23-71	Filed MEMORANDUM--- Deft Merdel Game Mfg. Co. motion for partial summary judgment is denied on ground that there are material issues of fact which must be resolved. It is directed that plttf immediately take steps to bring on a proper motion before the Michigan Court to resolve the issue of setting aside the consent judgment of the Michigan Court. Since considerable discovery has already taken place, the parties are directed to settle an order reflecting the disposition made in this memorandum, with special attention to provisions for either staying discovery or permitting discovery to go in other phases of the litigation-Tyler, J. m.	
Mar. 24-71	Filed deposition of witness, Norman C. Wolff, on 12-4-70.	
Mar. 24-71	Filed deposition of witnesses, Alfred C. Einstein, and Norman Wolff, on 2-12-71.	
Mar. 24-71	Filed deposition of Alfred C. Einstein, on 12-5-70.	
Apr. 8-71	Filed order that deft. Merdel's motion for summary judgment is denied. On disposition of motion in the Western District of Michigan, the present suit shall be set for trial as soon as the convenience of the Court permits. The parties shall file proposed findings of fact within twenty days of the disposition of that motion as indicated. Tyler, J. M/N	
Apr. 26-71	Filed Transcript of record of proceedings dated 2-9-71	
May 14-71	Filed stip and order that all proceedings in these three suits be and are hereby stayed until entry of final judgment by the District Court in Affiliated Hospital Products, Inc. v. Merdel Game Manufacturing Co., Wm. Richman Associates, Ltd. and Beranrd Cahn, Civil Action 69-1016 MRT, or until a Court orders otherwise. Tyler, J.	
Jul 21-71	Filed order that action is transferred to suspense docket of the court subject to reinstatement on the cal. of the undersigned upon filing of a stip. by parties to the effect that they are prepared to actively litigate this cause-Tyler, J.	
Oct. 6-71	Filed plttf's Proposed Findings of Fact.	
Oct. 3-72	Above listed case having been placed on suspense docket on 7-21-71 it is now ordered that it be removed from said docket and returned to action status. Tyler	
Oct 10-72	Filed transcript of record of proceedings, dated 3-8-72	
Oct 10-72	Filed Brief for Amicus Curiae Coleco Industries Inc. in support of motion for summary judgment filed by deft Merdel Game Manufacturing Co.	
Nov 31-72	Trial Begun. Before Tyler J. Non-Jury.	
Dec 1-72	Trial Continued and concluded. Decisions Reserved.	
May 31-72	Filed Transcript of Record of Proceedings dated March 8, 1972.	
Sept 8 72	Filed Transcript of Record of Proceedings dated June 1, 1972.	
Nov 11-72	Filed Transcript of Record of Proceedings dated May 30, 1972.	

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CIVIL DOCKET

DATE	FILED-PROCEEDINGS	AMOUNT PAID IN FEE
	TYLER	
	Depl. 69 Civ. 1016	
Apr.30.73	Filed defts. proposed findings of fact.	
Apr.30.73	Filed pltf. findings of fact and conclusions of law.	
Apr.30.73	Filed Pltf. trial brief.	
Apr.30.73	Filed pltf. post trial brief.	
Apr. 30.73	Filed pltf. brief in response to defts. trial brief.	
Apr.30.83	Filed pltf. pretrial stipulation.	
Apr.30.73	Filed Pretrial stip. (copy)	
Apr.30.73	Filed pltf. brief in reply to defts. memo to the court Re Effect of Mar. 2.67. stip on issue of trademark infringement.	
Apr.30.73	Filed defts. reply memo to pltf. brief as to present state of Proceedings.	
Apr.30.73	Filed pltf. post trial brief.	
Apr.30.73	Filed findings of fact and conclusions of law proposed by pltf. after trial.	
Apr.30.73	Filed defts. proposed findings of fact.	
Apr.30.73	Filed defts. proposed conclusions of law.	
Apr.30.73	Filed pltf. brief in response to defts trial brief.	
Apr.30.73	Filed defts. proposed conclusions of Law.	
Apr.30.73	Filed pltf. brief as to present state of the proceedings.	
Apr.30.73	Filed pltf. list of exhibits.	
Apr.30.73	Filed transcript of proceedings dated Nov.15,71, at Grand Rapids, Mich.	
Apr.30.73	Filed OPINION # 19437: TYLER, J. *** For the foregoing reasons, it is concluded that pltf. has failed to make out a case on the merits in respect to any of its several claims except for breach of the Mar 2,1967 stipulation or agreement in respect to one feature of Merdil's 1969 carton as heretofore discussed. Defts. are entitled to judgment dismissing any and all other claims asserted by pltf. against them in litigation with prejudice, there being no just reason for delay of entry thereof. With regard to the still OPEN breach of stipulation damage issued, pltf. should advise the court and defts. within ten days' hereof that it is ready and willing to go forward with the necessary proof. Upon receipt of such advice the undersigned will fix a hearing before U.S. Magistrate as a master to hear and report. *** TYLER, J. (n/m) (see OPINION in file)	

TYLER, J.

DATE	FILINGS - PROCEEDINGS	AMOUNT REPORTED IN EMPLOYMENT RETURN
May 11, 73	Filed Request for extension of time; Re opinion dated April 30, 73, extended until May 30, 73. So Ordered. TYLER, J.	
Nov. 30-73	Filed ORDER AND JUDGMENT. Court upon its own motion orders the Clerk of Court to enter judgment dismissing ^{all} pltf's claims including one expressly left open by opinion dtd 4/30/73 without taxing costs and mark this case closed; further ordered that Clerk mail copies of within order & judgment to attys for pltf and attys for defts. TYLER, J.	
**	JUDGMENT ENTERED. Clerk (n/m) ENT. 12/3/73	
Dec. 28-73	Filed Pltff Affiliated Hospital Products, Inc.'s Notice of Appeal from Order and Judgment dismissing all of pltf's claims filed Nov. 30, 1973 (Mailed copy to Defts. John D. Tully Warner, Norcross & Judd on 1/3/74)	
**Dec. 28-73	Filed Pltffs Undertaking for Cost on Appeal in sum of \$250.00 (Fireman's Fund)	
Feb. 6-74	Filed stip as to record and exhibits to be used on appeal.	
Feb. 6-74	Filed Notice that record has been certified & transmitted to USCA	
Feb. 26-74		Exhibits

C A P T I O N

[7]

IN THE
United States District Court

FOR THE SECOND CIRCUIT
AFFILIATED HOSPITAL PRODUCTS, INC.,
a corporation,

Plaintiff,

-against-

MERDEL GAME MANUFACTURING COMPANY,
a corporation,
WM. RICHMAN ASSOCIATES, LTD.,
BERNARD CAHN, an individual,
Defendants

Civil Action No. 69-C-1016 HRT

PLAINTIFF'S FIRST AMENDED COMPLAINT

(Filed January 23, 1970)

Plaintiff, for its complaint against Defendants,
states as follows:

Parties and Jurisdiction

1. Plaintiff, Affiliated Hospital Products, Inc., is a corporation duly organized and existing under the laws of the State of Delaware, having its principal place of business at 1920 South Jefferson Avenue, St. Louis, Missouri, and is duly licensed to transact busi-

ness in the State of New York. Plaintiff owns and operates a plant and place of business in the city of Ludington, Michigan, as a division known as "Carrom Industries" and engages in the manufacture of game equipment including wooden game boards, and related equipment.

2. Defendant, Merdel Game Manufacturing Company, is a corporation duly organized and existing under the laws of the State of Michigan, having a place of business at 218 East Dowland Street, Ludington, Michigan, and is also engaged in the manufacture of wooden game boards and wood games. Defendant Merdel is doing business and transacting business in the State of New York within the Southern District of New York, and has engaged in the tortious conduct as herein alleged in the State of New York.

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3. Defendant, Wm. Richman Associates, Ltd., is a New York Corporation having a place of business at Suite 919, Toy Building, 200 5th Avenue, New York City, New York. Defendant Richman represents Defendant Merdel in the sale of Merdel products in a region including New York City and the Southern District of New York.

4. Mr. Bernard Cahn is, on information and belief, an individual employed as a special representative of Defendant Merdel Game Manufacturing Company, and is an employee of Defendant Merdel and/or Defendant Richman, and has been appointed by De-

fendant Merdel as Special Representative of Merdel products in an area including the Southern District of New York. Upon information and belief, Mr. Cahn maintains an office in the Southern District of New York in the offices of Defendant Richman at Suite 919, Toy Building, 200 5th Avenue, New York City, New York.

5. This is an action for breach of contract, for copyright infringement, and for trademark infringement in which the matter in controversy, exclusive of interest and costs, exceeds the sum of Ten Thousand Dollars (\$10,000.00). This is also an action for unfair competition arising from said trademark and copyright infringement. Jurisdiction is conferred upon this Court by 28 USC 1332, there being complete diversity between Plaintiff and all Defendants. Jurisdiction is also conferred upon this Court by the Copyright and Trademark Statutes of the United States, specifically, 28 USC 1338(a) and (b), 17 USC 121, and 15 USC 1121, by 28 USC 1331(a) for causes arising under U. S. treaties, and by 28 USC 1338(b) with respect to the pendent causes herein for unfair competition.

Venue is properly laid in this Court in accordance with the provisions of 28 USC 1391 and 28 USC 1400(a).

Background

6. Through this Carrom Industries division, Plaintiff is the successor to the business of manufacture of game equipment

including wooden game boards and related equipment which has been continuously conducted since prior to the year 1900.

7. Defendant Merdel was organized in 1961, and is engaged in the manufacture of games and game boards in direct competition with Plaintiff.

8. Defendant Richman is the sales representative for Merdel in the area for New York City and surrounding area including the region of the Southern District of New York. On information and belief, Defendant Richman has been empowered by Defendant Merdel to act as its sole agent in such area and to accept orders for games manufactured by Defendant Merdel, and in general, to function as a general agent of Merdel with respect to sales in such area.

9. Defendant Cahn is, on information and belief, the special representative appointed by Defendant Merdel. Also upon information and belief, Defendant Cahn is an employee of Defendant Merdel. For about twenty-six years, until recently, Defendant Cahn has been associated exclusively with Carrom Industries division of Plaintiff and its predecessors and was the sales representative of Plaintiff and its predecessors in the Northeast area including the Southern District of New York.

Breach of Contract

10. Plaintiff and Defendant Merdel were respectively plaintiff and defendant in a prior action in the United States District Court for the Western Dis-

trict of Michigan, Southern Division, styled Shampaine Industries, Inc. v. Merdel Game Manufacturing Co., Inc., William J. Mueckler, Robert L. Erickson, and Albert Del Zoppo (Civ. Action No. 4237) which action was instituted December 21, 1961. The presently styled Plaintiff "Affiliated Hospital Products, Inc." is the same entity as the said styled Shampaine in the prior civil action, there having been a merger by said Shampaine Industries, Inc. and a change of corporate name since the time of said Civil Action No. 4237.

[10]

11. In settlement of that lawsuit, the parties entered into an agreement dated March 2, 1967, which provided in part as follows:

"The plaintiff stipulates that it will not object to the use of the word CAROM or CAROMS by defendants which such use is no more prominent than the use on the date of this stipulation. The defendants agree that they will not expand such use for a period of three years from this date. The defendants agree as part of the foregoing that they will not use the word CAROM or CAROMS during such three-year period to describe their gameboard. At the termination of such three-year period, there shall be no restriction on the use of the words CAROM or CAROMS by the defendants."

A copy of such agreement is attached as Exhibit A.

12. In direct violation of said agreement, Defendant Merdel has published or caused to be pub-

lished a price list dated March 1, 1969 of its games in which Defendant Merdel's game board is described as "'100 play' Game Board (Carom-Crokinole)". A copy of the price list is attached as Exhibit B hereto.

13. In further direct violation of said contract, Defendant Merdel has conspired, collaborated, cooperated, and taken effective joint action with Defendants Richman and Cahn to violate the provisions of such contract in identifying, describing, and advertising the game board of Defendant Merdel by use of the description "Carom".

14. In particular, said Defendants Richman and Cahn, or either of them has transmitted or caused to be transmitted within the last several weeks to the trade a postcard advertisement for the game boards of Defendant Merdel, describing said game boards as "Carom Crokinole Game Boards". Such transmission has, on information and belief, been made with the assent, knowledge, and cooperation of Defendant Merdel in direct violation of the said contract. A copy of the advertising portion of the postcard is attached as Exhibit C.

15. Said advertising postcard does not mention the name

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of Defendant Merdel as the manufacturer represented by Defendant Cahn, and in view of the long association of Defendant Cahn with Carrom Industries, the use of "Carom" on said card as a description of

the game board sold by Defendant Cahn, is a clear attempt to confuse the game boards of Defendant Merdel with those of Plaintiff and appropriate good will and customers of Plaintiff seeking to buy Plaintiff's "Carom Game Board".

16. In further violation of said contract, Defendant Merdel and Defendant Richman, or either of them with knowledge of the other, have together published or caused to be published an advertisement for Defendant Merdel's products in the "Building Directory for the Greater Toy Center, 1969" published by the Greater Toy Center as a directory for year-round use by toy and game buyers, including use during the Toy Fair held in New York City, within this district during the week of March 2, 1969. The said advertisement describes Defendant Merdel's game board as " '100 Play' Carom Game Board", and in said advertisement the names of Mr. Albert Del Zoppo, Vice-President of Defendant Merdel and Defendant Richman appear side-by-side as representatives of Defendant Merdel for the so-described game board. A copy is attached as Exhibit D.

17. All of said violations of said contract have occurred and been perpetuated by Defendants Merdel, Richman, and Cahn within recent weeks and have been directed to toy wholesalers, jobbers, and retailers attending the Toy Fair in New York which is held during the week of March 2, 1969.

18. This New York Toy Fair represents the most significant opportunity during each year for toy and game manufacturers to exhibit their products to wholesalers, and consequently, the above viola-

tion constitute a substantial and irreparable breach of said contract and have caused irreparable injury to Plaintiff.

19. These contract violations constitute a failure on the part of MERDEL to perform an essential and substantial portion of the executory contract of March 2, 1967 between Plaintiff and Defendant Merdel, since Plaintiff alleges that the contract

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would never have been made if breach and default in respect of Paragraph 2 thereof had been expected or contemplated.

Trademark Infringement

20. Plaintiff's predecessor in title has used the trademark "Carroms" or "Carrom" continuously in connection with games and game boards since 1892 and such marks have become identified over the years with the high quality of Plaintiff's products. Plaintiff is the owner of United States Trademark Registration No. 49,996, for "CARROMS" for game boards registered February 27, 1906, which has been subsequently properly renewed, such last renewal being on February 27, 1966. The registration has been amended to "CARROM" on March 15, 1966, and such registration is presently valid and subsisting.

21. By reason of the long history of sales and advertising of game boards by Plaintiff and its predecessors under the Plaintiff's trademark "CARROM", this trademark has become and is familiarly and favorably recognized by members of the trade and

members of the purchasing public throughout the United States as indicating the high quality products of Plaintiff. As a result, the mark now has acquired valuable good will in connection with game boards.

22. Insofar as Defendant Merdel may not have initiated, cooperated and assented to the contract violations set forth particularly in paragraphs 14 and 15 hereof, the acts of Defendants Richman and Cahn complained of in such paragraphs constitute direct infringement of Plaintiff's rights in its registered trademark, misappropriation of Plaintiff's good will in its game boards, and unfair competition, and is in direct violation of 15 USC 1114(1) and 1125(a).

23. Past and continued use by Defendants Richman and Cahn of the description "Carom" to describe the game boards of Defendant Merdel will result in destruction or dilution of Plaintiff's valuable and exclusive rights in its trademarks and will cause irreparable injury to Plaintiff's business reputation.

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24. Defendants Richman's and Cahn's deliberate and willful actions in describing game boards of Merdel as "Carom" boards and in advertising that Defendant Cahn, who is no longer associated with Plaintiff, is engaged in selling "Carom-Crokinole Game Boards", unless preliminarily and finally enjoined in this Court, will result in the likelihood of confusion or mistake and deception and will produce

attendant irreparable injury to Plaintiff and the public for which Plaintiff has no adequate remedy of law.

25. Defendants Richman's and Cahn's aforesaid use of "Carom" to describe Merdel game boards is a colorable imitation of Plaintiff's distinctive trademark "CARROM" and unjustly enriches Defendants Richman and Cahn by enabling them to unfairly appropriate the benefits of Plaintiff's extensive and intensive advertising and by enabling Defendants Richman and Cahn unfairly to trade upon Plaintiff's business reputation and good will symbolized by Plaintiff's trademarks.

26. Plaintiff and its predecessor in title currently does and has employed the trademark "KIK-IT" to designate game equipment and Plaintiff is the owner of the following United States Trademark Registrations:

Reg. No. 374,800, dated January 23, 1940, renewed January 23, 1960, for "KIKIT" for board games played with movable pieces; and

Reg. No. 776,546, dated September 8, 1964 for "KIK-IT" for equipment (or apparatus) sold as units for playing various type board games.

These registrations are presently uncanceled, and are valid and subsisting.

27. Plaintiff has used the trademark "KIK-IT" or "KIKIT" to designate one of its items of game equipment and apparatus therefor, as a result of Plaintiff's sales and advertising, and the mark has become identified and recognized in the trade and among the consumer public as indicating this high

quality game of Plaintiff. As a result thereof, the mark has now acquired

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valuable good will in connection with such game equipment.

28. Plaintiff has also used the fanciful illustration of two mutually facing players in simulated kicking position on opposite ends of the word "KIK-IT" with plural balls therebetween in advertisement of its "KIK-IT" game. Such illustration also appears on the game board itself of Plaintiff's "KIK-IT" game. Accordingly, by virtue of the close association between the fanciful representation of kickers in connection with Plaintiff's game equipment, this fanciful general representation of mutually facing characters in kicking position with plural balls therebetween, particularly in association with the word "KIK-IT" has become identified with Plaintiff in the mind of the trade and the consumer public as indicating the high quality of Plaintiff's game equipment.

29. Defendant Merdel markets game equipment virtually identical in construction and mode of play to Plaintiff's "KIK-IT" game equipment under the mark "KIK'ER" and has decorated the board thereof with fanciful representations of mutually facing players in kicking position with plural balls therebetween the players being on opposite ends of the word "KICK'ER". This constitutes colorable imitation of Plaintiff's registered trademark and simulation of the fanciful representations Plaintiff uses with its trademark in a deliberate effort by Defendant Merdel

to imply some connection between the game equipment of Plaintiff and that of Defendant Merdel whereby to gain the benefit of Plaintiff's advertising, good will, and sales appeal.

30. Plaintiff has presently no connection with Defendant Merdel and at no time in the past has had any connection with Defendant Merdel. Nor has Plaintiff sanctioned, consented, or in any way approved of the advertising, promoting, publicizing or selling of game boards or other goods of Defendant Merdel under the name "KICK'ER".

31. Use in commerce by Defendant Merdel of the mark "KICK'ER" constitutes a colorable imitation of Plaintiff's registered trademark. The continued use by Defendant Merdel of such mark in connection with virtually identical game

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equipment is likely to cause confusion or to cause mistake or to deceive the purchasing public in violation of 15 USC 1114(1)(a).

32. Past and continued use by Defendant Merdel of the mark "KICK'ER" will result in destruction or dilution of Plaintiff's valuable and exclusive rights in its trademarks and will cause irreparable injury to Plaintiff's business reputation.

33. Defendant Merdel's deliberate and willful actions complained of herein with respect to its "Kick'er" game equipment unless preliminarily and finally enjoined in this Court, will result in the likelihood of confusion or mistake and deception and

will produce attendant irreparable injury to Plaintiff and the public for which Plaintiff has no adequate remedy of law.

34. Defendant Merdel's aforesaid use of "Kick'er", a colorable imitation of Plaintiff's distinctive trademark KIKIT and KIK-IT, unjustly enriches Defendant Merdel by enabling them unfairly to appropriate the benefits of Plaintiff's extensive and intensive advertising and by enabling Defendants unfairly to trade upon Plaintiff's business reputation and good will symbolized by Plaintiff's registered and common law trademarks.

35. Moreover, the use by Defendant Merdel of said name "Kick'er" in combination with the fanciful, nonfunctional representation of characters in kicking position with plural balls therebetween on opposite ends of such name constitutes an infringement of Plaintiff's common law rights in said fanciful representation, and further constitutes a false designation of the origin of Defendant Merdel's products and a false description thereof in violation of 15 USC 1125(a).

Copyright Infringement

36. Prior to April 1945, Plaintiff's predecessor in title, namely "Carrom Industries, Inc.", created and wrote an original rule book for board games entitled "Rules for Games—No. 85 Carrom Board".

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37. The above-mentioned rule book contains material wholly original with Plaintiff and is copyright-

able subject matter under the laws of the United States, specifically 17 USC 1 et seq.

38. On April 23, 1945, Plaintiff's predecessor in title, namely "Carrom Industries, Inc.", published said rule book and complied in all respects with the Copyright Act of 1909, and amendments thereto, and all other laws governing copyrights, and secured the exclusive rights in and to the copyright of said rule book. Since that time, said rule book has been published by Plaintiff and all copies of it made by Plaintiff or under his authority or license have been printed, bound, and published in conformity with the provisions of the Copyright Act of 1909, and amendments thereto, and the Copyright Statutes 17 USC 1 et seq.

39. Since April of 1945, Plaintiff, through its predecessor in title, has been and still is the sole proprietor of all right, title, and interest in and to the copyright in said rule book. Plaintiff has received from the Copyright Office a certificate of registration, dated and identified as follows: Reg. No. 46140 in Class AA, based on effective date of publication of April 23, 1945. A copy of the Certificate of Registration is attached as Exhibit E and a copy of Plaintiff's rule book is attached hereto as Exhibit F.

40. Defendant Merdel has placed upon the market a rule book entitled "Rules for Games—100 Play Game Board" for use with its game board and in doing so has willfully, and with full and complete knowledge of the existence of Plaintiff's copyright rule book, deliberately and willfully infringed upon such rights of Plaintiff to the irreparable damage and

harm of Plaintiff and the public. A copy of Defendant's infringing rule book is hereto attached as Exhibit G.

41. Defendant, since its action of publishing, selling, and otherwise marketing the book entitled "Rules for Games—100 Play Game Board" with its game boards is engaging in unfair

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trade practices and unfair competition against Plaintiff and to Plaintiff's and the public's irreparable harm and damage.

Unfair Competition

42. Defendant Cahn, as indicated above, has for many years been exclusively associated with Plaintiff and served customers of Plaintiff in the Northeast region of the United States including New York State.

43. Plaintiff further alleges on information and belief that Defendant Cahn had maintained a telephone directory listing under "Carrom Games" in the local New York telephone directory, and that upon leaving the employ of Plaintiff, Defendant Cahn, upon information and belief, directed the telephone company to direct calls of the said "Carrom Games" telephone number to him at the home of Defendant Cahn.

44. Plaintiff, on information and belief, states that calls from customers of Plaintiff, seeking to order Plaintiff's products were directed to Defendant Cahn

after he left Plaintiff's employ and was in the employ of direct competitors, Defendants Merdel and/or Richman. Plaintiff submits on information and belief that Defendant Cahn knew such deception would result from this action, and Plaintiff has been damaged in unknown amounts in lost sales as a result thereof.

45. Defendant Merdel's actions and the actions of Defendants Richman and Cahn set forth above constitute a clear attempt to create in the minds of the trade and the public the false impression that Defendant Merdel's products originate with Plaintiff, to cause confusion between the goods of Plaintiff and Defendant, and to appropriate the good will of Plaintiff, in violation of 15 USC 1125(a) and in violation of the Federal law of unfair competition as established by the Paris Convention, Act of Lisbon 1958, 13 UST 1 (Article 10 bis) and the Pan American Convention of 1928, 46 Stat. 2907 (Chap. IV, Arts. 20-22), and in violation of the common law of unfair competition.

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46. Defendants Merdel, Richman and Cahn unlawfully have conspired to secure for themselves Plaintiff's customers, and to sell to such customers products manufactured by Merdel instead of the products of Plaintiff sought by such customers. In furtherance of such a conspiracy and in carrying it out, Defendant Cahn has employed on behalf of Defendants Merdel and Richman all invoices reflecting sales by Plaintiff during 1967 and 1968, and

an extensive list of prospective customers for Plaintiff's products. Cahn's present association with Merdel and Richman is based upon representations to him that he could divert Plaintiff's accounts to Merdel and Richman, and approval, acquiescence and participation in his efforts to do so by Merdel and Richman, and his employing customers and other confidential business information of Plaintiff. The said conspiracy to engage in acts of unfair competition and the consequent acts of unfair competition have their primary focus in New York, involve Plaintiff's customers in the New York area, and are being carried out in the New York area.

Wherefore, Plaintiff prays:

A. That the contract between Defendant Merdel and Plaintiff, and dated March 2, 1967, be adjudged breached in essential and substantial part by the action of Defendant Merdel and that paragraph 2 of said contract be completely rescinded in view of such breach, the provisions of paragraph 2 of said contract being not further binding upon the parties thereto.

B. That the Defendant Merdel, Defendant Richman, and Defendant Cahn be ordered to deliver up for destruction all advertising and promotional materials, packaging material, business stationery, or other things in the possession or under the control of the Defendants, which in any way makes reference to Defendant Merdel's game board as a "Carom" game board or otherwise describes Defendant Merdel's game board as a "Carom" game board in violation of said contract of March 2, 1967.

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C. That Defendant Merdel, Defendant Richman, and Defendant Cahn, and their agents, employees, and all those working in privity and concert with such Defendants, and each of them, be preliminarily and finally enjoined from:

(i) making any further reference to Defendant Merdel's game board as a "Carom" game board or otherwise describing, representing, or indicating Defendant Merdel's game board as a "Carom" game board and from infringing Plaintiff's registered trademark "CARROM" and any colorable variation thereof as applied to the game board of Defendant Merdel by promoting, advertising, publicizing, or selling game boards described by such mark or any colorable imitation thereof;

(ii) infringing Plaintiff's distinctive trademarks "KIK-IT" and "KIKIT" and any protectable variation thereof by further promoting, advertising, publicizing, offering or selling game boards of any type under the name "Kick'er";

(iii) infringing Plaintiff's common law rights in fanciful representations associated with their "KIK-IT" game equipment by utilizing the representation of two mutually facing athletes in kicking position with plural balls therebetween or colorable imitations of such representations in connection with advertising or sale of Defendant's "KICK'ER" game equipment;

(iv) infringing Plaintiff's registered copyright in any manner, from publishing, selling, and marketing or otherwise disposing of any copies

of the game rule book entitled "Rules for Games—100 Play Game Board";

(v) competing unfairly with Plaintiff in any manner by continued use of the marks "Carom" and "Kick'er" in conjunction with game equipment of any type, by the continued manufacture and sale by Defendant Merdel of its "Kick'er" game equipment, copying the nonfunctional and fanciful features of the corresponding game equipment manufactured

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by Plaintiff, and by continued copyright infringement of Plaintiff's copyrighted game rule book;

(vi) further damaging Plaintiff's good will and reputation by holding Defendant Merdel out and indulging advertising which effectively holds Merdel out as having some business relationship with Plaintiff by applying to Defendant Merdel's game boards the marks "Carom" and "Kick'er" which falsely designate the origin and manufacture of such game boards as that of Plaintiff.

D. That Defendant Merdel be required to deliver up to be impounded during the pendency of this action all copies of said game rule book entitled "Rules for Games—100 Play Game Board" in the possession of Defendant Merdel or under its control, and to deliver up for destruction all infringing copies and all plates, molds, and other matter for making such infringing copies.

E. That Defendant Merdel be ordered to deliver

up for destruction all advertising and promotional materials, business stationary, packaging material, products, or other things in the possession or under the control of Defendant Merdel which in any way refers to or bears the infringing and unfairly competing mark "Kick'er" or any colorable or confusingly similar variation thereof.

F. That an accounting be ordered to determine the orders received by Defendant Cahn as a result of his directing of phone calls from Carrom Games' telephone number to the telephone number of Defendant Cahn following the termination of employment by Defendant Cahn with Plaintiff.

G. That an accounting be ordered to account for such damages as Plaintiff has sustained in consequence of Defendant Merdel's infringement of said copyright, infringement of said trademarks, breach of said contract, and unfair competition, and to account for all profits, gains, and advantages derived by Defendant Merdel as a result of such copyright infringement, trademark infringement, contract breach, and unfair competition.

H. That an accounting be ordered to account for such damages as Plaintiff has sustained in consequences of Defendants Richman's and Cahn's trademark infringement and unfair competition, and to account for all profits, gains, and advantages received and derived by Defendants Richman and Cahn by reason of such trademark infringement and unfair competition.

I. That the Court make an award to Plaintiff of damages sustained by Plaintiff and the profits derived by Defendants Merdel, Richman and Cahn.

J. That Defendants, and each of them, pay Plaintiff all of the costs of this action, increased because of the calculated, willful, and deliberate nature of Defendants' infringing and unfair activities, to the full extent permitted by law, including treble damages for such copyright infringement and Plaintiff's reasonable attorneys' fees to prosecute such action for copyright infringement as permitted in 17 USC 1(e), and Plaintiff's reasonable attorneys' fees related to the action for unfair competition brought in this action.

K. For such other and further relief as this Court may deem just and proper.

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REILLY CARR & CHAPIN
Attorneys for Plaintiff
59 Maiden Lane
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(212) 425-7200

By _____
Alan T. Bowes

OF COUNSEL:

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(713) 621-9100

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CERTIFICATE OF SERVICE (Omitted)

ANSWER OF DEFENDANT MERDEL
GAME MANUFACTURING COMPANY

(Caption Omitted)

(Filed January 23, 1970)

Defendant Merdel Game Manufacturing Company answers plaintiff's first amended complaint as follows:

1. The allegations of paragraph 1 are neither admitted nor denied for lack of sufficient information on which to form a belief as to the truth thereof.

2. This defendant denies that it is doing business in the State of New York and that it has engaged in any tortious conduct within the State of New York and admits the remaining allegations of paragraph 2.

3. The first sentence of paragraph 3 is admitted. This defendant admits that defendant Richman is a manufacturer's representative representing this defendant in the sale of its products in a region including New York City and the Southern District of New York and, to the extent necessary, denies the remaining allegations of paragraph 3.

4. This defendant denies that defendant Cahn is either its employee or special representative, admits on information and belief that he is an employee of defendant Richman, and neither admits nor denies the remaining allegations of paragraph 4 for lack of sufficient information on which to form a belief as to the truth thereof.

5. Paragraph 5 being a statement of legal conclusion, no answer is required, but to the extent necessary, this defendant denies the allegations of paragraph 5.

6. The allegations of paragraph 6 are admitted on information and belief.

7. The allegations of paragraph 7 are admitted.

8. This defendant admits that defendant Richman is its manufacturer's representative in the area alleged in paragraph 8, that it is the exclusive manufacturer's representative in such area and is authorized to take orders for Merdel's products, which are forwarded to Merdel's home office in Ludington, Michigan, for acceptance. The remaining allegations of paragraph 8 are denied.

9. The allegations of the first two sentences of paragraph 9 are denied and the remaining allegations of paragraph 9 are neither admitted nor denied for lack of sufficient information upon which to form a belief as to the truth thereof.

10. The allegations of the first sentence of paragraph 10 are admitted. The allegations of the second sentence of paragraph 10 are neither admitted nor denied for lack of sufficient information on which to form a belief as to the truth thereof.

11. The allegations of paragraph 11 are admitted.

12. The publication alleged in paragraph 12 is admitted, the remaining allegations of said paragraph are denied.

13. The allegations of paragraph 13 are denied.

14. This defendant admits, on information and belief, that defendant Cahn transmitted to certain members of the trade the post card described in this paragraph, and denies that such transmission was made with its assent, knowledge or cooperation and neither admits nor denies the remaining allegations of paragraph 14 for lack of sufficient information on which to form a belief as to the truth thereof.

[25]

15. The allegations of paragraph 15 are denied.

16. This defendant denies any violation of the referenced contract, and admits the remaining allegations of the first sentence of paragraph 16. As to the second sentence of paragraph 16, this defendant states that the exhibit speaks for itself and no answer is required of said defendant to the second sentence.

17. The allegations of paragraph 17 are denied.

18. The allegations of paragraph 18 are denied.

19. This defendant denies any contract violation and neither admits nor denies the remaining allegations of paragraph 19 for lack of sufficient information on which to form a belief as to the truth thereof.

20. The allegations of paragraph 20 are neither admitted nor denied for lack of sufficient information on which to form a belief as to the truth thereof.

21. The allegations of paragraph 21 are denied.

22. The allegations of paragraph 22 are denied.

23. The allegations of paragraph 23 are denied.

24. The allegations of paragraph 24 are denied.

25. The allegations of paragraph 25 are denied.

26. The allegations of paragraph 26 are neither admitted nor denied for lack of sufficient information on which to form a belief as to the truth thereof.

27. The allegations of paragraph 27 are neither admitted nor denied for lack of sufficient information on which to form a belief as to the truth thereof.

28. The allegations of paragraph 28 are neither admitted nor denied for lack of sufficient information on which to form a belief as to the truth thereof.

29. This defendant admits that it markets game equipment

[26]

with a mode of play similar to plaintiff's "KIK-IT" game equipment under the designation "KICK'ER" and admits that the game board is decorated with representations of facing players in kicking position with plural balls there between, the players being on opposite ends of the word "Kick'er", and denies the remaining allegations of paragraph 29.

30. The allegations of paragraph 30 are denied.

31. The allegations of paragraph 31 are denied.

32. The allegations of paragraph 32 are denied.

33. The allegations of paragraph 33 are denied.

34. The allegations of paragraph 34 are denied.

35. The allegations of paragraph 35 are denied.

36. The allegations of paragraph 36 are neither admitted nor denied for lack of sufficient information on which to form a belief as to the truth thereof.

37. The allegations of paragraph 37 are neither admitted nor denied for lack of sufficient information on which to form a belief as to the truth thereof.

38. The allegations of paragraph 38 are neither admitted nor denied for lack of sufficient information on which to form a belief as to the truth thereof.

39. The allegations of paragraph 39 are neither admitted nor denied for lack of sufficient information on which to form a belief as to the truth thereof.

40. The marketing of a rule book entitled "Rules for Games—100 Play Game Board" for use with its game board is admitted but this defendant denies the remaining allegations of paragraph 40.

41. The allegations of paragraph 41 are denied.

42. The allegations of paragraph 42 are neither admitted nor denied for lack of sufficient information on which to form a belief as to the truth thereof.

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43. The allegations of paragraph 43 are neither admitted nor denied for lack of sufficient information on which to form a belief as to the truth thereof.

44. The allegations of paragraph 44 are neither admitted nor denied for lack of sufficient information on which to form a belief as to the truth thereof.

45. The allegations of paragraph 45 are denied.

46. The allegations of paragraph 46 are denied.

WHEREFORE, this defendant asks that this court enter judgment of no cause for action as to all counts of plaintiff's first amended complaint and award costs and reasonable attorney fees to this defendant.

Dated: _____, 1970.

Robert E. Wagenfeld
Attorney for Defendants
Business Address:
403 St. Pauls Avenue
Staten Island, New York 10304

OF COUNSEL:

WARNER, NORCROSS & JUDD
John D. Tully
Business Address:
900 Old Kent Building
Grand Rapids, Michigan 49502

AMENDED ANSWER OF DEFENDANT MERDEL
GAME MANUFACTURING COMPANY

(Caption Omitted)

(Filed August 5, 1970)

Defendant Merdel Game Manufacturing Company answers plaintiff's first amended complaint as follows:

1. The allegations of paragraph 1 are neither admitted nor denied for lack of sufficient information on which to form a belief as to the truth thereof.

2. This defendant denies that it is doing business in the State of New York and that it has engaged in any tortious conduct within the State of New York and admits the remaining allegations of paragraph 2.

3. The first sentence of paragraph 3 is admitted. This defendant admits that defendant Richman is a manufacturer's representative representing this defendant in the sale of its products in a region including New York City and the Southern District of New York and, to the extent necessary, denies the remaining allegations of paragraph 3.

4. This defendant denies that defendant Cahn is either its employee or special representative, admits on information and belief that he is an employee of defendant Richman, and neither admits nor denies the remaining allegations of paragraph 4 for

lack of sufficient information on which to form a belief as to the truth thereof.

5. Paragraph 5 being a statement of legal conclusion, no answer is required, but to the extent necessary, this defendant denies the allegations of paragraph 5.

6. The allegations of paragraph 6 are admitted on information and belief.

7. The allegations of paragraph 7 are admitted.

8. This defendant admits that defendant Richman is its manufacturer's representative in the area alleged in paragraph 8, that it is the exclusive manufacturer's representative in such area and is authorized to take orders for Merdel's products, which are forwarded to Merdel's home office in Ludington, Michigan, for acceptance. The remaining allegations of paragraph 8 are denied.

9. The allegations of the first two sentences of paragraph 9 are denied and the remaining allegations of paragraph 9 are neither admitted nor denied for lack of sufficient information upon which to form a belief as to the truth thereof.

10. The allegations of the first sentence of paragraph 10 are admitted. The allegations of the second sentence of paragraph 10 are neither admitted nor denied for lack of sufficient information on which to form a belief as to the truth thereof.

11. The allegations of paragraph 11 are admitted.

12. The publication alleged in paragraph 12 is admitted, the remaining allegations of said paragraph are denied.

13. The allegations of paragraph 13 are denied.

14. This defendant, on information and belief, that defendant Cahn transmitted to certain members of the trade the postcard described in this paragraph, and denies that such transmission was made with its assent, knowledge or cooperation and neither admits nor denies the remaining allegations of paragraph

[30]

14 for lack of sufficient information on which to form a belief as to the truth thereof.

15. The allegations of paragraph 15 are denied.

16. This defendant denies any violation of the referenced contract, and admits the remaining allegations of the first sentence of paragraph 16. As to the second sentence of paragraph 16, this defendant states that the exhibit speaks for itself and no answer is required of said defendant to the second sentence.

17. The allegations of paragraph 17 are denied.

18. The allegations of paragraph 18 are denied.

19. This defendant denies any contract violation and neither admits nor denies the remaining allegations of paragraph 19 for lack of sufficient information on which to form a belief as to the truth thereof.

20. The allegations of paragraph 20 are neither ad-

mitted nor denied for lack of sufficient information on which to form a belief as to the truth thereof.

21. The allegations of paragraph 21 are denied.

22. The allegations of paragraph 22 are denied.

23. The allegations of paragraph 23 are denied.

24. The allegations of paragraph 24 are denied.

25. The allegations of paragraph 25 are denied.

26. The allegations of paragraph 26 are neither admitted nor denied for lack of sufficient information on which to form a belief as to the truth thereof.

27. The allegations of paragraph 27 are neither admitted nor denied for lack of sufficient information on which to form a belief as to the truth thereof.

28. The allegations of paragraph 28 are neither admitted nor denied for lack of sufficient information on which to form a belief as to the truth thereof.

[31]

29. This defendant admits that it markets game equipment with a mode of play similar to plaintiff's "KIK-IT" game equipment under the designation "KICK'ER" and admits that the game board is decorated with representations of facing players in kicking position with plural balls there between, the players beng on opposite ends of the word "Kick'er", and denies the remaining allegations of paragraph 29.

30. The allegations of paragraph 30 are denied.

31. The allegations of paragraph 31 are denied.

32. The allegations of paragraph 32 are denied.

33. The allegations of paragraph 33 are denied.

34. The allegations of paragraph 34 are denied.

35. The allegations of paragraph 35 are denied.

36. The allegations of paragraph 36 are neither admitted nor denied for lack of sufficient information on which to form a belief as to the truth thereof.

37. The allegations of paragraph 37 are neither admitted nor denied for lack of sufficient information on which to form a belief as to the truth thereof.

38. The allegations of paragraph 38 are neither admitted nor denied for lack of sufficient information on which to form a belief as to the truth thereof.

39. The allegations of paragraph 39 are neither admitted nor denied for lack of sufficient information on which to form a belief as to the truth thereof.

40. The marketing of a rule book entitled "Rules for Games - 100 Play Game Board" for use with its game board is admitted but this defendant denies the remaining allegations of paragraph 40.

41. The allegations of paragraph 41 are denied.

42. The allegations of paragraph 42 are neither admitted

[32]

nor denied for lack of sufficient information on which to form a belief as to the truth thereof.

43. The allegations of paragraph 43 are neither

admitted nor denied for lack of sufficient information on which to form a belief as to the truth thereof.

44. The allegations of paragraph 44 are neither admitted nor denied for lack of sufficient information on which to form a belief as to the truth thereof.

45. The allegations of paragraph 45 are denied.

46. The allegations of paragraph 46 are denied.

AFFIRMATIVE DEFENSE

COUNT I

1. On December 27, 1961, Shampaine Industries, Inc. commenced suit, Civil Action 4237, by filing a complaint in the United States District Court for the Western District of Michigan against defendant, Merdel Game Manufacturing Company (hereafter "Merdel"). As amended, this complaint alleged trademark infringement of the registered trademark "Carrom" by Merdel.

2. The claimed infringement was usage by Merdel of the term "Carom" in connection with Merdel game boards.

3. Merdel was served with process in said suit, appeared and defended the case.

4. Final judgment, dismissing the case with prejudice was entered on March 2, 1967.

5. On December 31, 1965, plaintiff Shampaine Industries, Inc. was merged into Perry Rubber Corporation, a Delaware Corporation, and on January

24, 1966, said Perry Rubber Corporation changed its corporate title to Affiliated Hospital Products, Inc.

6. Affiliated Hospital Products, Inc. was a party of record to Civil Action 4237 in the Western District of Michigan

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at the time of final judgment in the case.

7. Said judgment was not appealed, nor was relief from such judgment requested under Rule 60 of the Federal Rules of Civil Procedure.

8. Said judgment was rendered by consent and was a final adjudication in favor of Merdel that the term "Carom" did not infringe plaintiff's trademark "Carrom".

9. Said judgment was against plaintiff on the identical cause of action, if any, in the complaint alleging infringement of the trademark "Carrom" by Merdel and constitutes res judicata as to any such cause of action.

10. Said judgment was against plaintiff on the issue of whether or not the term "Carom" infringes the trademark "Carrom" and constitutes res judicata as to such issue in this lawsuit.

COUNT II

1. The stipulation referenced in paragraph 11 of Plaintiff's First Amended Complaint permitted Merdel to continue all usage of the term "Carom" existing on the date of the stipulation for a period of

three years and after that period there would be no restriction whatsoever on Merdel's use of the term "Carom".

2. The said stipulation provided for no control over the manner of manufacture of Merdel's game boards or use of the term "Carom".

3. No controls were in fact exercised over manner of manufacture of Merdel's game boards or use of the term "Carom" during the period March 2, 1967, to the present time.

4. The stipulation was a naked license and constituted a waiver of plaintiff's property rights in the registered trademark "Carrom".

[34]

WHEREFORE, this defendant asks that this court enter judgment of no cause for action as to all counts of plaintiff's first amended complaint and award costs and reasonable attorney fees to this defendant.

Dated: Aug. 3, 1970.

/s/ ROBERT E. WAGENFELD

Robert E. Wagenfeld

Attorney for Defendants

Business Address:

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OF COUNSEL:

WARNER, NORCROSS & JUDD

John D. Tully

900 Old Kent Building

Grand Rapids, Michigan 49502

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PROCEEDINGS

Since discovery had been cut off more than a year ago by court order, why, we think this is an inappropriate time to raise defenses such as laches or estoppels which we are unsure of what they are really talking about.

* * *

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* * *

A laches defense is an entirely different type of defense and involves numerous elements which requires discovery, such as detrimental reliance and changes of position. And we have been denied that discovery.

* * *

[41]

* * *

The Court: When did you claim that the plaintiff first heard about it?

Mr. Durkee: It was in this letter, March 28 of 1972.

The Court: And the following day we had a meeting, didn't we?

Mr. Durkee: No, we had a meeting prior to that time.

The Court: I thought we met sometime in late March.

Mr. Durkee: Somewhere around March 18. And the Court requested this letter framing the issues.

The Court: Right.

* * *

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* * *

Mr. Durkee: The statute of limitations I did not complain about but it is a cut and dried defense. It is a three-year statute and there is no discovery about it. Laches, on the other hand, is an extremely difficult type of defense. It involves changes of position. The other thing that I object to here is these allegations are so general, and I might point out that the defendant still has not filed any proposed findings and we still don't know what is being alleged.

If we had a meeting a year or so ago, why, we could have found out.

The Court: Have you read the copy of the defendants' trial brief which Mr. Tuily sent in a week or so ago? I received a copy under his letter—

Mr. Durkee: Trial brief?

The Court. Yes.

Mr. Durkee: No, sir, I have not.

The Court: Well, we are doing splendidly this morning, so far, aren't we, Mr. Tully? Didn't you give these gentlemen at Kenyon & Kenyon a copy?

Mr. Tully: No, your Honor. I didn't know

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whether they were going to file one, and I didn't feel I should exchange my list.

The Court: May I suggest that now is a good time to do this? Why don't you give Mr. Bill Durkee a copy? ..

(Pause.)

Mr. Durkee: Your Honor, I now have a copy but I haven't read it. The other issue is we have all other exhibits sitting outside the courtroom and if we had about five minutes to bring those in and let me read this, why, we might be able to proceed a little better. ..

The Court: I don't know quite what problem is with exhibits. But you are referring to Mr. Tully's letter addressed to me and it is dated March 28, is that correct?

Mr. Durkee: Yes, sir.

The Court: Is that the one which you claim raises all these new issues?

Mr. Durkee: Yes, sir. March 28, 1972.

The Court: Well, I don't quite understand what you are arguing. If you are arguing that somehow or other this creates problems for the plaintiff and that you are entitled to more discovery, I wish you would say so. If, on the other hand, you are just suggesting that I should cut off all issues in the case other than the ones you see,

[44]

I wish you would say to—

Mr. Durkee: That is what I am saying, sir, is that we have been trying to get to trial for a long time and then all of a sudden we receive all kinds of new issues which have not been completed.

And I might point out that discovery by order of this Court was cut off more than a year ago.

The Court: Yes. And one of the reasons was that you told me you wanted to go to trial.

Mr. Durkee: That is correct, your Honor. I still want to go to trial. All I am saying is, these issues should not be raised at this time and particularly these broad allegations which we don't know what they are.

The Court: I don't know what they are either in

the true sense. I know what they say. I know what Mr. Tully says in his letter and his letter is plain enough. But here we are.

I think we better get the show on the road. I remind you that we have no jury here and if some manifest unfairness develops during those great proceedings than a relatively simple matter for the Court to grant you or the defense a continuance so that you can get at whatever need be gotten at; but these all seem to me like very legal defenses. They also sound like the kind of defenses that

[45]

I would anticipate once I drafted a complaint such as the complaint of your client in this case.

There doesn't seem to me to be anything unusual or novel about this with the possible exception of what one is thoroughly familiar with and namely that great famous consent decree in the United States Court in Michigan.

You of all people are not going to claim any surprise about that issue.

Mr. Durkee: Absolutely, I am not.

The Court: So I think that the thing to do is let's go ahead. You tell me at some later date if you feel that something pops out here that is totally out of the blue and you need more time to discover, or whatever you need. You can then apply at that time and I will hear you. But if we don't get started, this will be one more tragic episode with which we lawyers

are so good at, and that is to put off forever in the name of discovery, a trial.

Mr. Durkee: I do not want to do that—

* * *

[48]

The Court: Mr. Durkee, at the start, don't you think that you and defense counsel can agree that the stipulation which was sent to me some days ago should be deemed in evidence in this case?

Mr. Durkee: Yes, your Honor. The pretrial stipulation?

The Court: I forget just exactly how it is labeled. But I have a letter here from Mr. Bowes.

[49]

Mr. Durkee: About April 3rd?

The Court: April 6th.

Mr. Durkee: That must be it.

The Court: That as you correctly point out is called a pre-trial stipulation. But there are certain stipulations as to facts in here which I think you want part of the record, do you not?

Mr. Durkee: Yes, your Honor, that was the intent of that, I believe.

The Court: In order to make these less complicated, in order to save time, two objectives that are not always shared in our industry, all I am suggesting is that if you both agree that was part of the intention, I think it should be understood on this record that at least the factual stipulations should be deemed evidentiary matter in this suit.

Do I make myself clear?

Mr. Durkee: Yes, sir. And plaintiffs agree. That is Sections 1, 2, 3, 4 and 5, which concern the factual matters.

The Court: All right.

Mr. Durkee: And 6, excuse me.

The Court: Let's find out if Mr. Tully agrees.

Mr. Tully: Yes, your Honor.

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TESTIMONY OF JAMES AUGUST KEEFE, JR.

DIRECT EXAMINATION

Q. What is your position with Affiliated? When I say Affiliated, I mean the plaintiff.

A. I understand, I am the vice president and general manager of the Equipment Game Divisions.

Q. Is there a division of Affiliated called the Carrom Division?

A. Yes, there is.

Q. What type of products does the Carrom Division make and sell?

A. We manufacture and sell hospital beds, nursing home beds, bedside cabinets, chairs, overbed tables, and a variety of action skill wood games.

Q. What brand names are these various products sold under?

A. They are identified and sold under the brand name Corrom.

* * *

[60]

* * *

Q. In what ways is the advertising conducted by Caroom, what channels, I should say?

A. Well,—

Mr. Tully: Excuse me, May I ask for a little clarification on the advertising, whether we are talking about the Game Board or the rubber gloves and—

The Court: I would hope only games. We are really only concerned in this case with games, are we not?

Mr. Durkee: Your Honor, I was talking about the Carrom Division. The Carrom Division does not make rubber gloves and all that other stuff.

The Court: I share Mr. Tully's view because of

what transpired earlier .It is not clear to me, Mr. Durkee. You mentioned the Carrom Division. You also mentioned the Equipment and Game Divisions. Perhaps I missed something, but it is totally fuzzy as the record now stands as to what those distinctions are.

Mr. Durkee: Let me clarify that if I may, your Honor.

The Court: It seems to be obvious that we are

[61]

wasting our time on this, because there is a simple solution. We are only talking about games, whatever division, happens to handle it, isn't that correct?

Mr. Durkee: That is what is primarily involved in this lawsuit, although the trade mark Carrom is used for many different products, including furniture.

Mr. Tully: The trade mark is for games and game boards. They have used the name, but the trade mark is not for furniture. The registration is not for furniture.

The Court: Passing that point, I still press my question. I never understood in any of the papers that we were talking about usage of this mark for furniture or rubber gloves or hospital equipment or any thing of that nature that plaintiff may manufacture.

Mr. Durkee: Your Honor, it is on furniture, it is

very clearly on furniture. And it is a widely used mark. That is the issue.

The Court: That comes as a bit of a surprise to me. I had thought we were talking about the Carrom Game Board.

Mr. Durkee: We are talking about the Carrom trade mark, your Honor.

Mr. Tully: Just for the record, I let this testimony go in because I don't think it is that important, but

[62]

I don't think there is any likelihood of confusion between purchasers of hospital beds and hospital chests and purchasers of game boards.

I also feel that we are only talking here about a trade mark as applied to game boards and game equipment.

The Court: Certainly, Mr. Bill Durkee, that has always been my understanding, and I would submit to you that any scrap of paper that has been filed in this case heretofore would tend to support that view of the matter.

I don't question the fact, if it is a fact, that this is used for furniture.

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[72]

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Q. Have you yourself ever used, with a customer, an old invoice to help write out a reorder?

A. Mr. Durkee, it's—

Mr. Tully: For games and game equipment.

Q. For games and game equipment.

A. You must remember that I am not in the field on a day to day basis as a salesman.

[73]

Q. Okay. I will withdraw the question.

The Court: Would you forgive me a minute, Mr. Durkee.

(Pause)

The Court: Forgive me, Mr. Durkee.

Q. Mr. Keefe, have you yourself ever used an old invoice to obtain the nomenclature for a reorder by you or someone else's product?

A. You are going to have to explain that a little bit more, Mr. Durkee. I really don't understand.

Mr. Durkee: I will withdraw it, your Honor, just to speed things up, we have a stipulation about the long continued use of the mark Carrom, as you know.

And although there is still an issue as to whether it was a trademark usage, I think that is the defendant's position, so if I may just briefly put these ads into evidence, without testimony, I think we can speed things up a lot.

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Mr. Durkee: This is jumping ahead a little bit, but what Mr. Tully would like to do is pick out a few of these ads which may be mistakes, etc., and exclude the good ones in our favor and just present to the Court a few of the bad ones.

The Court: What do you mean the good ones or the bad ones?

Mr. Durkee: There are some in here which shows Carrom and down at the bottom it calls it a Carrom board. So the issue in question is whether it's a trademark usage.

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Q. Do you know whether any letters have been received by plaintiff asking for Merdel game boards or playing parts for the Merdel game boards?

Mr. Tully: Just a moment. Before that question is answered, I think the best evidence as to that would be the letters themselves.

Mr. Durkee: Your Honor, we are trying to shorten things.

Mr. Tully: The witness has just testified and I didn't object, that he was aware of game boards being sent back to the factory. He didn't ask whether he personally knew. Now he is asked to testify as to whether letters were received. It seems to me the best evidence would be such letters.

The Court: I would agree with that, but I would say even before I get to that, to Mr. Durkee, what does this have to do with the case?

Mr. Durkee: Actual confusion, your Honor.

[83]

The Court: You want to show confusion between your board and that of Merdel?

Mr. Durkee: The trademarks.

The Court: I think then a fortiori I would agree with the defense, we ought to see the letters. With all due respect to Mr. Keefe, he can't be charged with being in a position to give us the best evidence of that.

Q. Mr. Keefe, has Affiliated been damaged by

Merdel's use of the term Carom in connection with the Merdel game board?

A. In my opinion, as the general manager responsible for the profits of our company, the use of the name, and I would like to say the improper use of the name Carom which Merdel—

Q. Is that one R or two R's?

A. With one R.

—has created in my mind and the minds of consumers, in my opinion, confusion, irreparable damage; our product, which has been sold, advertised, displayed for more than 80 years, has had riding on its back, if you will, free unencumbered expenses by the Merdel Company of our advertising and have profited from our advertising, and therefore we have sustained what I consider to be much

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harm and much damage.

Mr. Tully: I ask that that portion of the answer dealing with his opinion be stricken as to consumer confusion or consumer damage or that sort of thing.

The Court: I would agree with that because I think the question really was, as I listened to it, whether any damage had been displayed before by use of the Carom mark which defendant, Carom of course C-a-r-o-m.

But I don't see how Mr. Keefe can be produced as a witness to tell us about customer confusion. Again I recognize that you may be able to produce docu-

mentation but Keefe is not a customer of his own company.

Mr. Durkee: May I should ask the question again, your Honor. I agree with you, I asked the question of whether Affiliated had been damaged.

The Court: That's right. And he says that it has. I would like to ask, however, in what sense do you say it's been damaged? You lost profits, you lost sales? What are you talking about?

The Witness: Well, your Honor, we have not sustained growth because of the use of a confusingly similar name; we have advertised our name and as a result,

[85]

why, our competitor has had the advantage of that in sales and profits.

The Court: I understand that your ultimate position in this lawsuit is that. But I think the question, if I understood it correctly, was as to whether or not you could tell us if plaintiff has sustained damage in the sense of declining gross sales in the game field or whatever it is.

Have you any information on that?

The Witness: Your Honor, my records indicate, and I have these, if you'd like to see them, that our game sales have not grown, and that they have been diluted, and that as a result our profit margins on the games have been non-existent.

The Court: Then I would suggest, Mr. Durkee, if he has records perhaps the best approach would be to get at those records.

Mr. Durkee: Your Honor, damages have actually been excluded for a separate trial.

The Court: That is correct. I agree with you there.

Mr. Durkee: I would prefer not to get into it too extensively.

The Court: All right.

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Q. Mr. Keefe, do you know whether Affiliated has a policy of keeping the game customer lists confidential?

A. It is the policy to keep customer lists confidential.

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[92]

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CROSS-EXAMINATION

By Mr. Tully:

Q. Mr. Keefe, I'd like to go into your position with Affiliated a little bit if I may, because I was a little

confused about your connection with this division. As I understand it, you joined the predecessor company, Shampaine, in 1963 as a field salesman, is that correct?

A. Correct.

Q. And shortly thereafter you were made—and you were selling basically hospital related items?

A. For the most part yes.

Q. Were you selling the games at that time?

A. I wasn't selling the games. I used the games in the sale of the other equipment from time to time.

Q. You were not a salesman for the game division?

A. I was not compensated to sell games, no.

Q. In 1967 you were made sales manager or—shortly after you were a field salesman you were made sales manager?

[93]

A. About 1966.

Q. '66.

Was that again over the hospital division or did you then come in contact with the games directly?

A. Well, there again it was primarily my responsibility was in the hospital and nursing home areas.

Q. And you were then shortly thereafter appointed vice president in charge of sales for Carrom, the Carrom Division?

A. Carrom Division.

Q. That was the entire division at that time?

A. It was the Carrom Division. My primary responsibilities were for the hospital furniture and nursing furniture.

Q. Your association with the game division in a formal way then is relatively recent, since December 16, 1971?

A. Except for the indications that I have already stated, that I used the games to sell furniture sometimes.

Q. But you were not compensated by that division, this was not part of your job to be familiar with or acquainted with various game products?

A. At that time, no.

Q. It's only been since December 16, 1971 that

[94]

that has been so?

A. Correct.

Q. You got into the question of—a little bit with Mr. Durkee—he raised the question of whether or not there had been damage by Merdel's competition, by their unfair competition, as you characterized it. You made the statement that your sales volume had not grown.

Do I interpret that, that your sales volume has remained static or had not grown as you'd like it to? All my questions are related to the game division, there is a game division?

A. No, there is the Carrom Division.

Q. All right. Are separate records kept for sales of the game sales of that division?

A. Yes, sir.

Q. All right. My questions are going to be confined only to those sales.

A. All right, sir.

Q. Was it your statement that your game side sales

have not grown, period, or simply that they have not grown as you think they should have grown?

A. For what period of time are you concerned with?

Q. Well, let me ask you the question:

[95]

What period of time were you referring to in response to Mr. Durkee's question as to whether or not you had been damaged by Merdel?

A. I was referring to a period of time from 1965 to the present.

[96]

Q. From '65 to the present. All right.

During that period is it your statement that your game sales have not grown or simply they have not grown in the way that you would like to see them grow?

A. They grew slightly from 1965 to 1969 and then downward.

Q. They have been down since 1969?

A. Yes, sir.

Q. Isn't it true that the general economy has been generally down since 1969 or thereabouts?

A. As far as I am concerned, Mr. Tully, I can't answer that.

Q. Your other divisions have shown increases in sales from 1969 to the present?

A. Yes, they have.

Q. I take it you got this information from going back into your records? Since you were not directly

connected, you had no reason to know this information prior to the time you became involved in this suit.

A. I have gone in the records.

Q. Who was your predecessor?

A. My predecessor in my present job was Mr. A. C. Einstein.

Q. Where is he now?

[97]

A. Mr. Einstein has—is employed by Willross of Milwaukee.

Q. They are a hospital-related manufacturer?

A. They are a diversified distributor and manufacturer of health items.

Q. How long had Mr. Einstein been immediately in your position, do you know?

A. Since about 1967 or '68.

Q. All right. I take it you are qualified to talk generally about the operation of the game side of the Carrom Division; is that a fair assumption on my part?

A. I am familiar with some of the operations.

Q. Your sales of your games are overwhelmingly made to what I will call the trade, is that not correct? That is, dealers, jobbers, wholesalers, large department stores or discount houses?

A. I would like to clarify a point there, if I may.

Q. Fine.

A. The ultimate consumer is the person to which we are attempting to get the game and they are funneled through these various marketing channels.

Q. Right, the dealers, jobbers, won't buy from you unless someone at the end bought, isn't that correct?

[98]

A. Okay.

Q. But your sales, in other words, you are not paid by the ultimate consumer, you sell your product to dealers, jobbers, wholesalers, if I can characterize it as the trade, I will, is that correct?

A. Substantially correct, Mr. Tully. There are those occasions where we have sold directly to an individual.

Q. Somebody writes to you and says, "I would like a board," but you don't have salesmen out soliciting individual sales?

A. Not our compensated salesmen, no, sir.

Q. Again, a retail store, which in the chain of title to one of your game boards, might sell it to an individual, but your people don't solicit that kind of business?

A. No, sir.

Q. You indicated that in your opinion Merdel was getting a free ride on your advertising.

A. Yes, sir.

Q. Would you tell me what you base that statement on? Again, what period of time you are talking about.

A. Well, based on our advertising records, Mr. Tully, which we have gone into, they go way back, the

[99]

name Carrom has been advertised as a quality product of the Carrom Division, Carrom Company. There are many names that it was assigned over the years, and as a result we have built up over these years a

quality—a representation of integrity of product and company, and this was done through the expenditure of advertising dollars. And it is from this advertising of the name Carrom that the confusing similar name Carom as used by Merdel, with one “r”, attempts to ride.

Q. Specifically, you mentioned improper use of that term by Merdel. What improper uses are you referring to?

A. Well, sir, as the general manager I say that any use of the name Carrom or of Carroms.

Q. Have you ever played all of the games on your board, Mr. Keefe? For example, let me just pick one out of here.

Have you ever played Ring Post Croknoke?

A. No, I haven't.

Q. Have you ever played Spinning Battle?

A. No, I haven't.

Q. Zelto?

A. No, I haven't.

Q. Have you played any of the games on the board?

[100]

A. I have played checkers. I have played what we call the bumper pool. I have played—I can't recall any other game I have played.

Q. You played checkers and bumper pool.

Will you show me in your rule book, and I will just hand you one arbitrarily, where bumper pool is listed as a game?

A. Is this a recent book?

Q. You can check the copyright date.

A. '63.

Q. Do you see a bumper pool game in that one?

A. I don't find it listed.

Q. I will show you the 1970 copyright date rule book and ask you if you know of a game called bumper pool in there.

Not to waste time, there isn't a game of bumper pool in there. The game you were referring to is a game called Carroms, isn't that correct?

A. We would recognize the name Carroms as our trademark and the game played on there could be called Carrom, yes, sir.

Q. Not only could it be called but it is called that in your rule book, isn't it?

A. In our rule book, yes, sir.

[101]

Q. And you used it in your advertising and in your catalogs extensively throughout the years as the name of the game, haven't you?

A. We have used it on occasion because it is our name and we feel free to use our name.

Q. It is also the name of a game, isn't it?

A. Would you explain to me which one you are referring to now?

Q. Carroms.

A. Carroms? It is a game that could be played on the board.

Q. Is there any question in your mind about that, that Carrom is the name of a game?

A. No, I just—it's the name of our game.

Q. It's your game?

A. Yes.

Q. Nobody else can play the game?

A. Well, you see, Carroms is our trademark.

Q. Yes, but it is also—at the same time it is your trademark, it's the name of a game, isn't it?

A. It's the name of a game in our book, yes, sir.

Q. And it has been the name of a game since at least 1898, do you know that?

A. Well, I take your word for that.

[102]

Q. Reading from another of our rule books.

In recent years from your catalogs from 1963 to 1969 you have actually shortened that up to Carrom, haven't you?

A. Not intentionally. We refer to the product line and the name and the company as Carrom. There is no game Carrom.

Q. There is no name of Carron? When you talk about a Carrom Croknole game board, do you think that refers to the name of a game?

A. It refers to a name of a product.

Q. Carrom Croknole game board refers to the name of a product?

A. And we have advertised it as such in the past.

Q. All right. And Croknole is the name of a game, isn't it?

A. Croknole is listed as a game.

Q. So wouldn't you say it would be fair to assume that in a situation where Carrom Croknole game board appeared, that Carrom is there the name of a game?

A. No, sir. Carrom is the name of the company.

Q. Mr. Keefe, I'm going to show you your catalogs from 1963 to 1969 and ask you if you will refer to the

page on which your standard Carrom game board is identified

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under the bold print "106 Different Games," and ask you whether or not—I show the Court it is the same in all, referring to this—whether or not Carrom is listed there as the name of a game.

A. As far as I am concerned, no. Would you point out what you referring to here?

Q. Well, under the heading "106 Different Games" it then talks about all the different games and it says Carrom, of course, and Croknole, too, and wouldn't you say that that is the use of Carrom as the name of a game?

A. As far as I'm concerned, it's a use that we feel free to use describing our product, but I still contend it is not a game. It is not listed as a game in our rule book.

Q. I wouldn't belabor the point, but you take my word for it, and I think the record will show, that our catalogs from 1963 to '69 do have similar statements, identical statements, and Carrom is one of the games.

Let me hypothesize with you for a moment, Mr. Keefe. If someone took Carrom or Carroms as the name of a game, they wouldn't identify your company as the source of any product on which the game would play, would they?

[104]

Mr. Durkee: Your Honor, objection to the hypo-

thetical question. It also refers to some knowledge that he doesn't have about somebody else.

The Court: Well, I agree with the last part. I don't quite think the question is clear, particularly put to this witness, Mr. Tully.

Mr. Tully: All right.

By Mr. Tully:

Q. Let me ask you to assume, even though you disagree, that Carrom is the name of a game, would you do that? I realize you disagree with me but take my position just for the purpose of my cross examination, assume that Carrom is the name of a game. All right? Can you do that?

A. Mr. Tully, I don't see how I can assume that is the name of a game when it isn't. It's the name of the company and of the products which we sell.

Q. I think we have a difference of opinion over that. I think—

A. That's why we are here.

Q. Your catalog and other uses indicate it is the name of a game. I'm asking you to assume it was the name of a game. If it was the name—

A. I can't make that assumption.

[105]

Q. You can't assume with me that it is the name of a game?

A. I would prefer not to assume that.

Q. I'm asking you: I realize you prefer not to. I'm asking you simply to assume it is.

The Court: Perhaps we can get to the bottom of this impasse if you just finish your question.

Mr. Tully: I'm going to rephrase the question to the same point, your Honor.

Q. If you assumed that it is the name of a game, then it won't serve the purpose of identifying your goods, would it, Mr. Keefe?

Mr. Durkee: Objection on the grounds it is hypothetical. It is not in accordance with the facts in this case.

The Court: I am inclined to agree. I'm not quite sure I accept Mr. Durkee's statement of the reason, but as I understand the witness, he can't assume that Carrom is the name of a game as opposed to the identification of a line of or the manufacturer of a product including games.

Mr. Tully: All right.

The Court: I think if you are going to prove this great point you are going to have to do it through

[106]

some other witness.

By Mr. Tully:

Q. If it is the name of a game, would you agree with me that it doesn't serve to identify your goods?

A. No, I would not agree.

Q. Even though it is the name of a game?

A. That's right, because it is the name of our game played on our board.

Q. Are you saying that no one else can play the game?

A. No one else can use the name Carrom.

Q. No one else can use the name Carrom or Carroms.

A. As far as I'm concerned, it is the name of our product line and our company.

Q. So, in other words, you have absolute title to that game, C-a-r-r-o-m-s, no one else could say we can play the game of Carroms, C-a-r-r-o-m-s, on our board?

A. As far as I am personally concerned, that's my viewpoint.

Q. Okay.

* * *

[110]

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Q. Let me just say that one of the charges here is that the change in Merdel's carton in 1968 constituted a breach. Do you know why that wasn't discovered until after this lawsuit was commenced in 1969?

A. Do I know why it wasn't discovered?

Q. Yes. What I am saying is, did your company—Merdel is your principal competitor, you indicated?

A. Yes.

Q. And I would assume that you would keep track

of what your competitor was doing in a general if not a specific way?

[111]

A. Yes.

Q. When this change was made, do you know why the change was not discovered until after the commencement of this lawsuit in 1969?

A. No.

Q. One of the claims here is that a piece in a Top Value catalog, that's another stamp merchandise, constituted a breach of the stipulation. The identical piece appeared in a 1967 catalog as well as a '68.

Do you know why those were not discovered until after the commencement of this lawsuit?

A. No.

Q. Do you know when the game of Kicker was first manufactured by Merdel?

A. No.

Q. If I told you 1964 would you know why there was no claim of trademark infringement before 1969 on that particular item?

A. No.

Q. Isn't it true that your sales volume has increased substantially in the game division since Merdel entered the market in competition with you in 1961?

A. On the contrary, recently it has declined.

Q. Well, taking—

[112]

The Court: Excuse me. When you say "recently"—

The Witness: In the last two years, your Honor.

The Court: In the last two years. Meaning by that '71 and '72?

The Witness: No, sir, '70 and '71.

The Court: '70 and '71.

The Witness: Yes, sir.

The Court: Incidentally, is Affiliated on a fiscal calendar year or does your fiscal year run in a different calendar year?

The Witness: It's a different calendar year, yes, sir.

The Court: Forgive me, Mr. Tully.

By Mr. Tully:

Q. Taking 1961 as a base period, which is the year prior to that time, do you know whether or not your company had any competition in the manufacture of games such as in the sense of manufacturers who made the same items?

A. I can't answer. I don't know. I wasn't familiar.

Q. Taking 1963, or 1961, you have reviewed the figures as a base figure. Isn't it true that the sales

[113]

of your company with respect to games have increased tremendously since Merdel got into the picture and started to compete with you?

A. I have volumes, if you like—I have notes indi-

cating the sales volume by year. If you would like me to refer to those, I will.

Q. Do you have them here? Can you answer the question?

A. I have the notes in my pocket if you would like me to refer to them.

Q. Sure.

A. The volume which I have listed here begins in 1965.

Q. So you don't have the figures. What was the volume for 1965, may I ask?

A. \$960,000.

Q. Increased from '65 through '69 to what figure?

A. The highest figure was \$1,540,000.

Q. That was in the fiscal year?

A. '69.

Q. Ending--

A. It was in the calendar year 1969.

Q. Ending in 1969?

A. Yes.

[114]

Q. So that you said earlier that sales have dropped since 1969. You meant sales in 1970 and 1971 have dropped?

A. Yes.

Q. To what figures?

A. In 1970 our volume was 1,381,000 and in 1971 they were 1,204,000.

Q. All right.

The Court: Could I get the 1969 figure again?

The Witness: Yes, sir. They were 1,540,000. These are rounded, your Honor.

The Court: Yes.

By Mr. Tully:

Q. You originally were manufacturing in Ludington; that's where you were when you first joined the company, Ludington, Michigan?

A. That's correct, sir.

Q. Then you moved to Red Lion, Pennsylvania, when, do you remember, 1968?

A. About 1968.

Q. And you moved to Sardis, Mississippi last year?

A. Yes, sir.

[115]

Q. Wouldn't that kind of an upheaval have some effect on your sales or your production?

A. Our production has not been interrupted. As a matter of fact, we have both facilities operating simultaneously.

Q. Do you know whether or not there was publicity among the trade as far as the prior lawsuit was concerned?

A. I have seen a publicity release, yes.

Q. Is there any question in your mind but that the people that you sell to and Merdel sell to, the trade, is confused about who manufactures the Merdel board and who manufactures the Carrom board?

A. Would you restate the question?

Q. Yes. Do you think that there is confusion

among the trade as far as your board is concerned as opposed to Merdel's?

A. I think there has been, and continues to be, some confusion, yes, sir.

Q. In the trade?

A. Yes, sir.

Q. Do you have evidence of that here in court today?

A. When you say "evidence," I have knowledge of some transactions which are a part of the company's records.

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Q. Isn't it true that Merdel really is the only other person who makes wood board games similar to yours, Skittles, Hockey, whatever other games, Kicker; aren't they the only other manufacturer of wood games?

A. When you limit it to wood, I would say that they are the only ones that I am aware of but there are other—

Q. Prior to 1961 you were not aware of anybody who made similar games, period?

A. No, sir.

Q. Do you know whether or not the rule book that Merdel uses has changed at all since 1961?

A. No, sir, I can't say I do.

Q. Do you know why any claims of copyright infringement were not brought at any time before 1969?

A. Do I know why they were not?

Q. Yes.

A. No, sir.

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REDIRECT EXAMINATION

* * *

Q. Now, over the last few years, has the game division been a very profitable division?

A. As I went through the records I discovered, to my dismay, that the games portion of the Carrom Division have not been a profit contributor.

* * *

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The Court: Put differently, defendant says it may well be that the plaintiff can prove that we, the defendant, or one of us, breached that stipulation. That says the defendants, we recognize is theoretically open to this claim. But if that is the claim it really boils down to a claim of breach of contract or breach of agreement, from which it should follow that if the plaintiff can prove such a claim, it would be entitled to money damages.

But, says the defendant, it cannot claim either rescission or trade mark infringement, and very simply they argue you can't claim rescission because there is no mistake, mutual or unilateral or of any kind whatsoever that one can imagine.

Now, as far as I am concerned there should be

no surprise to anybody, least of all William Durkee and the Court as to the defendants' position.

It may be that they didn't spell this out with nice little labels saying this is affirmative defense number 1 and this is affirmative defense 1A, B, whatever it is. I won't argue that. But their position to me has always been clear. Otherwise, we never would have had the issues we have had in that motion for partial summary judgment.

Mr. Durkee: I am not claiming surprise on this point, there is no doubt about that. What I am saying, and

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I am not getting into—what I am saying is that this must be pleaded and proved as an affirmative defense. It is their burden of proof. They must show that they did not breach it in order to bring it up as an affirmative defense.

The Court: No, no, wait a minute. Even assuming you are right and to me you make no sense at all, you are the one that commenced this suit, not the defendants. You will agree with me on that?

Mr. Durkee: That is right.

The Court: In your complaint you have a claim among others for trade mark infringement, right?

Mr. Durkee: Yes, sir.

The Court: You know and I know that for the longest time the defendant has made it very clear, perhaps not in their original answer, but there somewhere along the line early on they made it clear that one of their principal defenses to the trade mark claim was you can't get away with it because that matter has already been resolved; see the stipulation of March 2, 1967.

It is also the reason why the defendants have always consistently, to my knowledge, at least, said, Look, recognizing the terms of the March 2, 1967 stipulation, we recognize in all fairness to plaintiff, that they

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may have a claim against us for breach of contract. If they can prove that after that we did something in breach of that stipulation, let them try and prove it. We will try to defend against it, of course, on the merits, but let them try to prove it.

If they do prove it, then all they would be entitled to is not any judgment on the issue of trade mark infringement, but simply money damages.

Mr. Tully, am I in any way undercutting or misreading your position in this area?

Mr. Tully: I think that is the position we have taken. It is expressed in our brief. I think it has been expressed all through this.

Mr. Durkee: I agree I understand their position. I am saying that it is legally deficient.

The Court: Wait a minute. Wait a minute. You have a trade mark infringement?

Mr. Durkee: That is right, And that is all we are going under. All we agreed to in that agreement if you look under the green line, is we agreed we would not object to the use of Carom and Caroms by the defendant in where such and such, and such and such. Anything else we can object to as trade mark infringement. That is clear by that phrase.

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The Court: I don't understand that. Are you seeking to rescind Paragraph 2, for example?

Mr. Durkee: We are trying to rescind the whole thing, if that is what is required.

The Court: That is what we have got to know. It is going to make a tremendous difference to everybody in this case.

Mr. Durkee: That was not before the Michigan Court.

The Court: What do you mean, it was not before the Michigan Court?

Mr. Durkee: It was a private contract which led to an order of dismissal, but the Court never saw it.

The Court: That is a nice little distinction which I don't think is of any real concern at the moment. As you just recognized, if you want to construe that

as a private agreement, I don't think it helps you any, standing alone. You have got to prove you are entitled to rescission if that is what you are trying to prove. I want to know, first of all, Kenyon & Kenyon suggests in its letter of March 29th that you were abandoning any claim of rescission.

Mr. Durkee: No, sir. See, defendants have consistently refused—

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The Court: Forget what the defendants have done, will do, or might do. I want to know what the plaintiff's position is.

Mr. Durkee: The plaintiff's position, your Honor, is that we are suing for trade mark infringement, that that is an affirmative defense and that we would like to see that rescinded and we think we have the grounds for it.

The Court: May I suggest to you that if you are claiming rescission and since you are on Plaintiff's case, though I do not adopt your somewhat rigid theories of who does what first, I thought we had passed that day years ago. The federal courts haven't gotten much around to formal rigid pleadings. But be that as it may, whatever the rules may or may not be, the Durkee version or the Tyler version, the positions of the parties are clear if we understand you not to be abandoning any claims for rescission of the March 2, 1967 agreement.

Mr. Durkee: We are not abandoning that.

The Court: Then I assume if that is true, I will ignore what Kenyon & Kenyon said in its letter of March 29; correct?

Mr. Durkee: You can ignore it.

May I point to what it said?

The Court: No, no, please. Then I would ask you

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if you are claiming rescission, you must have some theory of mistake, isn't that so?

Mr. Durkee: Mistake, fraud and material breach.

The Court: Then we are going right back to where we were when I wrote that summary judgment decision.

The Michigan Court, it seems to me, if you are right, would have to upset that judgment, because I don't care whether they saw the agreement itself, the fact is that there was judgment entered discontinuing that case upon the representations of the parties that you had agreed to settle.

Now, if the Michigan Court refused to set aside that judgment, implicit in that decision, I assume, has to be the proposition that the Michigan Court didn't find that there was any mistake or anything else.

Mr. Durkee: You mean in our motion to set aside the judgment?

The Court: Yes.

Mr. Durkee: Your Honor, it is very clear that a motion to set aside the judgment has nothing to do with the private contract. In fact, you cannot raise that on a motion to set aside a judgment.

The Court: Oh, dear—

Mr. Durkee: It is complicated, I agree.

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The Court: It isn't complicated if you get down to the money and I am down to the money and I am getting a little tired of this.

I am afraid I was misled and I am afraid the Michigan Court was misled. Maybe not wittingly, but you listen to me carefully. Supposing that we had a suit, Tyler vs. Durkee, in a court, commercial suit. We go to trial, Tyler doesn't like the way things are going, the Judge says some terrible things in his hearing that scares him to death, he gets hold of Durkee and says, listen, Durkee, let's settle. Let's make our private agreement. We make our private agreement. We then tell the Judge, "Judge, we have agreed to settle." And the Judge says happily, "Settle." And judgment is entered accordingly.

Do you mean to say that just because you and I would call that a private agreement, if one or the

other of us wanted to rescind that agreement, that it would mean that the judgment still stands?

Mr. Durkee: Yes. There are various prospective defects here.

The Court: Boy, oh, boy, there are going to be a lot of peculiar things going on in these courthouses across the land if you are right.

Mr. Durkee: What we are concerned with here, and

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this is the difficult part, we have to get in mind what went on before the date of the judgment and what may go on after the date. A consent judgment by itself is subject to contract remedies as to the prospective application of the judgment.

The Court: I don't quarrel with that. The defendant doesn't either. The defendant says, look, if we have breached something flowing from that consent judgment, plaintiff can prove that. But what plaintiff is trying to do is have its cake and eat it, too, and it is time we stopped that, because this whole lawsuit is permeated by this problem.

I have read the colloquy before that judge in Michigan. It makes no sense to me at all. I don't think he knew what he was talking about, I don't think you knew what you were talking about. The whole thing is a mess. And the reason, I submit to you, is because you can't make up your mind as to just what your position truly is.

Mr. Durkee: I am trying to make it very, very clear.

The Court: I hope you do, because I see nothing but a waste of time for you, your client and everybody else if we don't get to the bottom of this.

Mr. Durkee: I agree. We filed a brief in

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January, of about 30 pages, that explains the whole thing.

The Court: You explained the whole thing. But I want to know if you are going to try and prove mistake; you have got to prove it. Briefs don't mean anything in terms of proof.

Mr. Durkee: We intend to do that.

The Court: Don't you think we ought to get down to it? Tell me, what is going to happen? Is somebody going to come in here and say we never meant to enter into a stipulation, or we never intended this? What is it, anyhow?

Mr. Durkee: I am still trying to get past. Yes, we think we are entitled to rescission. Now, assuming that we don't get it, we still are not—they cannot plead this as a defense and prove it because it is their burden of proof to show that they performed—

The Court: Wait a minute. Oh, please, Mr. Durkee. You are just making convoluted theories here which don't get to grips with the problem. You have now

told me that Kenyon & Kenyon didn't mean it, you don't mean to rescind—

Mr. Durkee: We did mean it; in the first place, that is, in the absence of the defendants pleading the settlement contract and affirmative defense.

We have now just said that they have pleaded it.

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The Court: Mr. Durkee, I am telling you now that I assume that they have raised this as an affirmative defense and there you are. I have been assuming this for a long, long time. Otherwise, I don't know why in the world I ever would have written what I wrote in that partial summary judgment memorandum of mine.

Mr. Durkee: Okay. Then we are asking for rescission.

The Court: Boy, oh boy. Then I say to you you are presumptively on very bad ground because the Michigan Court wasn't about to set aside its consent decree. Why should I?

Mr. Durkee: We are not asking for consent decree to be set aside.

The Court: If you set aside that contract you have got a lawsuit out in Michigan.

Mr. Durkee: I don't think so. That is a legal issue. The effect of that judgment can be weighed—

The Court: Particularly the celebrated analogy case of *Tyler v. Durkee*. Do you mean to say if you and I settled a case in this Court on our agreement and the agreement was set aside or rescinded, that the lawsuit would remain settled?

Mr. Durkee: It depends on a number of facts. It

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depends on whether you are talking about past actions or prospective actions.

The Court: Then you play right into the position of the defendant, which is beginning to sound, the more you talk, the better it sounds. And that is, look, if you have got any claim that that agreement was breached, fine. Say so. But don't pussyfoot around with all these byzantine legal theories which now you see 'em, now you don't. You better think this over over luncheon, because I tell you, this case isn't going to go anywhere until we get to the bottom of this.

You cannot play games all around the courts of this country, and we are now at the moment of truth. We have got to go to lunch and think about this, because I tell you, you are certainly confusing me. I think the defendant's position is probably very strong. But you are just playing around with the issue and we have got to place it in front of us.

If you want to prove rescission, you have got to prove it. But if you do prove rescission, then you have got a lawsuit and you have got it in Michigan.

Maybe it can be resolved here, I don't know. We have got to think of these things because the whole trial is permeated with these uncertainties.

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I blame the plaintiff because—well, look at Kenyon & Kenyon's letter.

Mr. Durkee: It wasn't Kenyon & Kenyon. I wrote the letter, so don't blame them.

The Court: In any event, the plaintiff's letter. We will resume at 2:15.

(Luncheon recess taken at 1:10 p.m.)

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AFTERNOON SESSION

2:15 p.m.

The Court: Mr. Durkee, if we can perhaps save time, I don't want to interrupt your presentation any further than we have to, but can we content ourselves now with the firm statement, or at least what I trust is the firm statement, that the plaintiff does not abandon any claim that it has to rescind in whole or in part the March 2, 1967 stipulation?

Mr. Durkee: That's correct.

The Court: All right. Could you indicate generally what your theory of rescission is? Mistake on somebody's part?

Mr. Durkee: Mistake.

The Court: On whose part?

Mr. Durkee: On the people who negotiated the settlement. If not mistake, then the one party was, I think hiding facts from the other when they drafted this agreement up. And we allege that that would be fraudulent.

The Court: So you are claiming a fraud on the part of the defendant?

Mr. Durkee: Yes, your Honor. Mutual mistake, if not mutual mistake, then a fraud.

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The Court: All right.

Mr. Durkee: And in addition a material breach throughout the period March 2, '67 to March 2, 1970.

The Court: Right.

Would you agree that, assuming the contract should not be rescinded, that you are then limited to a claim of breach of contract?

Mr. Durkee: No, your Honor.

The Court: Why not?

Mr. Durkee: If I may step over here, I think I can explain it a little better. Our stipulation in paragraph 2 was that we will not object to the use of

the word Carom or Caroms with the defendant in such situations. That did not give up any trademark rights that we have. If we are not stopped by that provision, I am assuming there is no rescission now, if we are not estopped by that provision then our trademark action is capable of being maintained.

That is the only provision that applies to us, particularly note the time periods until we get down to this one. Because these two middle ones, the defendants agree to certain facts.

After the three-year period, which is March 2nd, 1970, we have a different provision which would be

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applicable in the form of an estoppel against a charge of trademark infringement.

So in the three-year period what is underlined in green would constitute an estoppel, but that estoppel is conditioned on performance by the defendant, if I may lead into that a little bit.

After the three-year period we have there shall be no restriction on the use of word Carom or Caroms by the defendant.

Again, that is in the form of an estoppel and is conditioned on the defendant's performance of what is underlined in blue and red. If they have not performed the blue and red, they cannot hold us to this estoppel. And we are looking towards the future. We are not trying to go behind the judgment in Michigan which was March 2, 1967. We are talking about acts since that time.

This is just a mere contract which was intended to delineate what we would object to and what they would do without objection for certain time periods, which would be an estoppel if as to its extent against trademark.

The Court: If you are right that means the trademark issue comes right to the fore and the defendant can then attack your mark?

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Mr. Durkee: That is true. The point is that—

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Mr. Durkee: Right. This is our position, that it is an estoppel if it is an enforceable estoppel, for acts after March, 1967. But we also would like a rescission just to get this whole thing off the record.

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TESTIMONY OF BERNARD CAHN

DIRECT EXAMINATION

* * *

Q. How long have you been in the business of selling toys and game products?

A. Well, I was 26 years with Carrom until they discharged me without any pension or any money at all.

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Q. Did you have any kind of a listing of customers in your possession when you first began selling Merdel products?

A. I had many lists.

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Q. When had you prepared these lists?

A. Over a period of years.

Q. Did any of these lists include the volume "Information of Game Sales"?

A. Yes, they did.

Q. Did they include price information?

A. No.

Q. What about discounts?

A. No, I had all of that—I could look at a name and tell you what discount that man got, that dealer got.

Q. But did the list have it on there?

A. I don't remember.

Q. Do you have any list in your possession now that you had acquired during your employment with the Carrom Company?

A. Yes, I got a whole bag full back there.

Q. Of the lists themselves?

A. All lists, yes.

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Q. Mr. Cahn, during your stay or employment with the Carrom company, were you ever told that the customer lists were confidential?

A. Never.

Q. In your prior deposition in the prior lawsuit, Plaintiff's Exhibit 152A, let me read a question and answer to you:

"Q. Mr. Cahn, during your 22 years of employment with Carrom Industries have you become familiar with the customer lists and other details of the business?"

And your answer is:

"A. Oh, definitely.

"Q. Have you ever had any discussions of policy with reference to these matters, with either Mr. Smith or Mr. Mueckler or other officials of the company?

"A. I was always told—yes.

"Q. Told by whom?

"A. By both Mr. Mueckler and Mr. Smith that this was more or less of a confidential nature."

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Q. Sir, I show you a document which has been identified as Plaintiff's Exhibit 77 and I call your

attention in the second paragraph to a listing of some companies and I assume that is sales volume.

Would you identify that?

A. Yes.

Q. Are those sales volumes the sales volumes for the Carrom Company in the previous years for those particular accounts?

A. I presume so.

Q. Who is that letter addressed to?

A. Merdel.

Q. Did you send that letter to Merdel?

A. Yes.

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Q. Down at the lower left-hand corner of Plaintiff's Exhibit 77 is a listing of something.

Could you explain what that is?

A. Which is it? You mean the last paragraph?

Q. Right down here.

A. My 1967 business was \$428,000.

Q. Were you informing Mr. Del Zoppo of the sales volume?

A. Yes.

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Q. Mr. Cahn, I show you Plaintiff's Exhibit 97. Can you identify that for us?

A. When I was in St. Louis and they cut my territory to nothing they told me which accounts I was to have and which I had to relinquish.

Q. Is that a customer list of the Carrom Company?

A. I presume so, yes.

Q. Who gave that to you?

A. Einstein.

Q. Mr. Einstein was what at that time?

A. I don't know, he was the sales manager or vice president, I don't know. He had so many titles I don't know what he had.

Q. Is this one of the customer lists you had in your possession when we took your deposition?

A. Was what?

Q. Is this one of the customer lists you had in

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your possession when we took your deposition in this lawsuit?

A. I don't remember that.

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CROSS EXAMINATION

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Q. Mr. Cahn, during the 26 years that you were with the Carrom Company, was there any competition for its product lines prior to the time Merdel got

into this business?

A. No.

Q. In terms of the same product line?

A. No.

Q. Nobody else was making these types of games?

A. That's right.

The Court: Do you recall when you noticed

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Merdel coming into the field? When did you notice Merdel come in?

The Witness: Well, sir, that's quite a big history to this.

The Court: I know, I'm sure there was.

The Witness: I was on both sides of the fence.

The Court: I don't want to get into that. All I want to know is, what year was it, so far as you recall it?

A. About ten years ago.

The Court: So that would be about 1962?

The Witness: Approximately.

The Court: Thank you.

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TESTIMONY OF ANNABELLE DAVIS

DIRECT EXAMINATION

Q. Miss Davis, I show you Plaintiff's Exhibits 100 and 101. Have you compared those two rule books?

A. Yes, I have.

Q. In what respect?

A. I have compared them; I have made an analysis in the manner of expression, in the manner of the presentation.

There is a placque over here which gives the outline I have basically used. I have analyzed drawings, I have compared the cover format, the copyright notice, the back cover, the price list, index; I have gone into specific comparison of drawings, the selection of drawings, the general picture representation, the direction of

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view of the drawing, then the arbitrary placement of items in the drawing, either groupings or individual items, and the manner of presentation of an item.

I have also gone into the sequence in which the games are presented in each rule book, and then within individual games I have compared title, format, the sequence of the sentence in the individual games, the structure of sentences, specific sentence

wording, specific unusual words, and the arbitrary location of any individual words or phrases.

Q. I show you a book here which has been marked Plaintiff's Exhibit 103. Is this the comparison you have developed?

A. Yes, it is.

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Q. Have you noticed any similarities between the front of the Carrom rule book and the front page of the Merdel rule book?

A. Yes. The similarities are in the drawings, the family circle and the placement—the words "Rules For Games," and the name of the gameboards.

Also, in using—in putting the address and name of the industry manufacturer at the end of the page.

Q. Thank you.

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Now, would you skip to the inside of the front cover.

A. Yes.

Q. Have you noticed any similarities between that page in the Carrom rule book and the corresponding page in the Merdel rule book?

A. I would like to point out in both books the word "copyrighted" appears, followed by the industry and the address of the industry with USA afterwards.

Q. In both instances the word is "copyrighted," with an "e-d" on the end?

A. Yes.

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This is page 6 of the Carrom rule book as distinguished from page 1 of the Merdel rulebook.

The Court: All right.

Q. Miss Davis, do you notice any similarities

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between the top drawing on those two pages?

A. Yes, I do. The placement of the hand, the manner of the presentation of the hand, is very interesting.

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Mr. Durkee: Okay. Let's move on to the next page, which is page 7 in the Carrom rule book and page 2 in the Merdel rule book.

Q. Miss Davis, do you notice any similarity between the presentation of the nets?

A. Yes, I did. In the Carrom rule book the nets are designed in a particular fashion. They are designed with intersecting arms. In the Merdel rule

book, although the print is not that clear, the same design is used.

Q. Thank you. If the Merdel drawing is turned upsidedown, is there any similarity between the grouping of the rings?

A. Yes. I have so designated by coloring groupings

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of rings.

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Q. Let's skip to the game of Clocko, if we may, which is on page 55 of the Carrom rule book and page 51 of the Merdel rule book.

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Q. Would you explain that, the color coding?

A. Okay. I have chosen different colors and colored them in each game so that in one game the sentence corresponds with the sentence in the Merdel game.

Q. Would you continue and just explain what you notice there with regard to the format?

A. With regard to the format I'd like to point out that in the Carrom rule book we start off with designation of the side of the board played. This is in a sentence. Then we continue with the section headed "Equipment Needed." Then object of the game, as a section heading with a colon. Then we have a heading called "Rules."

I would like to transfer to the Merdel rule book and point out the format. There is a designation of the side of the board first, and then the section heading

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"Equipment." Then the section heading "Object of the Game." And the section heading the game. This is basically the format which the Merdel rule book used throughout its rule book.

Q. Thank you. Is there a corresponding sequence between that shown in the Carrom rule book and that in the Merdel rule book?

A. Yes. In the order of the sentences which are paralleled, if you will begin with that colored in red which starts at No. 5 of the Carrom book and which begins with the second paragraph after the section "The Game," it starts, "The first player." But our red begins with the "If," the next sentence. The coloring is in the same sequence: red, brown, purple, green, and black.

Q. Let us skip down to the bottom of the game in the Carrom rule book and compare the words there with the title of the Merdel.

A. Yes. In the Carrom rule book the sentence reads "This game is a dandy time-killer both for children and adults and provides 'hours' and 'minutes' of relaxation and entertainment."

I would like to point out the similarity between "hours" and "minutes" at the end of the game and the title of the game in the Merdel rule book.

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Q. What is the title?

A. "Minutes and Hours."

Q. In Section 5 of the Carrom game are there any similarities between the phrases employed there and the phrases employed in the minutes and hours game?

A. It is basically the structure of the sentence we are talking about. In the Carrom rule book the sentence that I have underlined starts with "If he rolls a double and he moves his hour hand one hour ahead," in the Merdel book the parallel sentence "If a double."

This is the part underlined I am talking about "is rolled the player moves the colored ring or hour hand one hour."

What I notice is the similarity in structure: it is a conditional sentence, the verb is "moves" and the object is the hour hand. And the same structure is used in the next sentence underlined, "If he rolls any number, if a non-double number is rolled." You have an active and a passive. That is the difference. But it's the same structure of the sentence.

Q. Thank you. Let's move back over to the game of, I think it is "Pursuit—Shooting The Wild Ducks," which is page 11 in the Carrom rule book and "Pursuit," which is page 14 in the Merdel rule book.

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Firstoff, do you notice any similarity of format in the Merdel rule book as compared with the Clocko format that you just mentioned?

A. Yes, the same format has been used. The section headings, starting with the side, the equipment, object of the game.

Q. Do you notice any particular words here which strike you?

A. In the Carrom rule book for Shooting The Wild Ducks, I notice the word "spot" which issued in reference to backgammon. This is in distinguishing the location on the board where you are to place the instruments. I would like to point out that this is used also in the game Pursuit.

Now, if you refer back to the backgammon game in the Carrom rule book and in most rule books that give rules on backgammon, the term used is "points" for this location. Whereas, here the term has been used—the term "spot" has been used. This is unusual and it has also been used in the Merdel book.

Q. Do you notice a similarity in the sequence of sentences between these two games?

A. Yes. The similarity of the colors, the same order of sequence, yellow, green, purple, blue, brown.

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Now, when you get to the next, the green, the dark green, you will be at the end of the Merdel rule book and work up to the red. It's reverse sequence. It's exactly the reverse. From the bottom you go green, black, gray and red; and you go green, black, gray, and red in the Merdel rule book.

Q. Could you help me find the checkers?

A. Checkers is on page 43 of the Carrom rule book and 54 of the Merdel rule book.

Q. Do you notice any similarity in the manner of presentation between those two games?

A. Yes. I would like to point out, in the Merdel rule book what I call the usual format of the Merdel rule book is not used. There are no section headings. The similarity is that rule books present the rules in short form.

Q. Does either book give—explain how to play checkers?

A. No, it does not.

Q. Are there any similarities in the sequence of the games described between the rule books?

A. Yes. I would like to point out one of the similarities which has to do with the games related to checkers. In the Carrom rule book the games that are

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derived from checkers, checkers through chess in the rule book, which is about six games, follow the same sequence in both the Carrom rule book and in the Merdel rule book.

Q. You do have a section in this exhibit which explains the various sequences employed?

A. Yes. The section is called book organization.

Q. Let us skip over to page 38 of the Carrom rule book and 47 of the Merdel rule book, which shows the games 10 Pin Top Game and 10 Pin Circles.

A. Yes.

Q. Firstoff, do you notice any particular format in the Merdel rule book which has been described in the Carrom rule book?

A. In the Merdel rule book again we have a designation of side, object of the game and the game. You will notice that there is no equipment designation. In the Carrom rule book, instead of the usual purely paragraphing, you have a list with numbers 1 through 5.

Q. Do you notice any similarity in particular wording or phrases between these two presentations?

A. Yes, I do.

Q. Would you point those out, please?

A. In the second sentence in the Carrom rule book the sentence starts out with the word "Place." In the

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Merdel in 10 Pin Circle after the section heading "The Game," you also have "Place." This reference to the sentence "Place the 10 wood pin in a circle approximately 6 inches in diameter."

In the Carrom rule book it is "Place the full set of 10 pins around in a circle in the center of the board about 8 inches in diameter." Then the next sentence is in green, you have the words "Each player spins." This is also present in the Merdel book, "Each player spins."

In the Carrom rule book in Point 3 you have the start of the sentence, "The player." And also in that same sentence in the Merdel rule book you have "The player," as the start of the sentence, as the subject.

I would like to point out in the Merdel rule book a distinction that is made that is different from the

Carrom rule book in the 10 Pin Circle game. In the 10 Pin Top game in Carrom rule book you have a spinning of only the green top, whereas in the 10 Pin Circle game you are spinning three tops in rapid succession. But the variation in the Merdel rule book says each player spins one top. So therefore two games are made out of one game. This is also done in one other case called Center Out, where instead of—you spin one instead of three in rapid succession in the Carrom rule book, you

[197]

spin one in the Merdel rule book and the variation is you spin three.

Q. Would you refer to page 21 of the Carrom rule book and page 17 of the Merdel rule book which shows the games Chinese Glance and Wild Billiards, respectively?

A. Yes.

Q. Do you notice any similarity between these two presentations?

A. Yes. I would like to point out that in this case the Merdel rule book has omitted its usual format. There is the short one sentence form in both game rules, and the structure of the sentence is the same.

In the Carrom rule book the sentence reads "The same rules govern as in 3 Ring Glance except that any ring may be shot.

In the Merdel rule book the sentence is the same game as billiards except that any ring can be, and then it says "Selected by the player." It is the same basic structure of the sentence: the subject and the verb and the object.

Q. Thank you. Now would you move to page 43 of the Carrom rule book and page 55 of the Merdel rule book. Do you notice any similarities in the expression?

A. This is Pyramid Checkers.

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Q. Pyramid Checkers in the Carrom rule book and Triangle Checkers in the Merdel rule book?

A. In the Merdel rule book again I notice that the usual format is not used, the section heading. Similarity between the two can be noticed. In the Carrom rule book the second paragraph starts out, "The object of the game is to." In the Merdel rule book the second paragraph starts out "The object of the game is to." The sequence of the order of the sentence is the same also.

Q. In your entire analysis how many games between the Carrom rule book and the Merdel rule book did you notice a similiarity?

A. In the Carrom rule book there were 67 games that had counterparts in the Merdel rule book. In the Merdel rule book there were three extra variations, which made 70 games from the Merdel rule book.

Q. Would you move to the next page, which is Carrom rule book page 44 and Merdel rule book page 55. It shows a Diagonal Checkers and Corner Checkers.

A. The Merdel rule book again does not use the format established generally throughout the book. The sequence of the sentence is the same, and also in the second paragraph of the Carrom rule book

you will notice the rules in a regular game of checkers are to be followed in this

[199]

game with the exception in the Merdel rule book it says "Play is the same as in Standard Checkers." Then a new sentence, "However . . ."

This is a basic similar structure of a paragraph.

Q. Let us jump back to the very front of the rule books and compare the games shown on pages 7 to 9 with the game shown on page 2 of the Merdel rule book. Do you notice any verbatim phrasing there?

A. Yes. The Rule 7 on page 8 in the game called Carroms says "The player pocketing black ring scores five points independent of the final count." In the Merdel rule book, if you will refer to the section under Score, on page 3 it says, "Player pocketing the black ring scores five points."

* * *

[200]

* * *

Q. In your color coding here have you used any indication to indicate some phrases, not verbatim phrases, but similar phrases?

A. Basically I have indicated many of the similar phrases with Magic Marker, Red Magic Marker.

[201]

Q. You would circle the—

A. Yes.

Q. You also used the circle to indicate verbatim words, right?

A. Yes.

* * *

[211]

* * *

TESTIMONY OF ROBERT L. ERICKSON

DIRECT EXAMINATION

Q. As I understand it, Mr. Erickson, were you the one that developed this game Kick'er?

A. I was.

Q. About what time was that?

A. Well, it was about 1964. It was developed sometime prior to the toy fair and I don't know the exact dates.

Q. At the time you came up with this name Kick'er, did you know of any other trademarks on similar games?

A. When you say "similar games," I take exception in some respect, but I knew of the Kick'er name, of course, that Carrom made.

Q. Did you know of any others?

A. I knew of several others, one that I remember was Flip-Hockey, and there were some foreign games in existence of this type.

Q. At that time did you know that Kik-It was a Carroms registered trademark?

A. I believe at that time it was K-i-k I-t, was a registered trademark.

* * *

[213]

* * *

Q. I had asked you at the time that this design was developed, were you aware of the design associated with the Kik-It trademark as illustrated on Plaintiff's Exhibit 69?

A. Yes. However, that wasn't the design at the time. Well, it may have been the design but it's been changed since. I mean, the lettering appears to be a little different and the bottom is a different color.

* * *

[216]

* * *

Q. Mr. Erickson, I show you Plaintiff's Exhibit 10. Would you identify that, please?

A. You want me to tell what it is?

Q. Yes, please.

A. It's our patent on the application of the plastic corner of the Carom board.

Q. Who made the application for patent?

A. I'm listed as the inventor.

* * *

[217]

* * *

Q. Mr. Erickson, in the first sentence here it says that "the type of board used in playing the well known

[218]

game of Carroms," and Carroms is in quotes and it's

spelled C-a-r-r-o-m-s, is that correct?

A. I'm sorry, but I broke my glasses this morning, so I'll have to hold them up.

"Is used in playing the well known game of Carroms," in quotes.

Q. And with an S and a double R.

A. "This invention relates to game board construction and the preferred form has been developed in conjunction with a type of board used in playing the well known game of Carroms," in quotes.

Q. All right. Do you know of any game named Carrom?

A. C-a-r-r-o-m?

Q. Right.

A. No.

Q. Do you know of any game named Carom?

A. We have our game of Ring Carom.

Q. Do you know of any game simply called Carom, C-a-r-o-m?

A. Well, we term that game as the Carom game. It's played with rings and we call it Ring Carom. If you want to say specifically C-a-r-o-m and that's it, no.

[219]

Q. Okay. So you don't know any game called Carom?

A. Only in the form of Ring Carom.

Q. Which was adopted by Merdel?

A. Right.

Q. When was that adopted by Merdel?

A. In 1961.

* * *

[221]

* * *

Q. Mr. Erickson, I refer you to Plaintiff's Exhibit 47. Would you explain what this is briefly and approximately when it was made, the time periods of manufacture?

A. That particular board?

Q. Not this particular board, but boards like it.

A. Boards like it were—we started making them in 1961.

Q. With this exact design and everything?

A. No, the design has been altered somewhat over the years, a couple of different changes.

Q. If I'm correct, I believe this came out of a 1968 carton.

A. That could be.

Q. Can you confirm that in any way?

A. That it's a 1968 game board?

Q. Or later.

A. No, I can't confirm that.

Q. When you make these corners, how are they made?

A. They are injection molded.

[222]

Q. But then how is the board put together with the corners?

A. Squeezed together with glue and it's held very rigidly with the glue to the wood to plastic, contrary to other opinions that have been expressed in this court.

* * *

[223]

* * *

(Plaintiff's Exhibit 48 received in evidence.)

Q. Is this one of the older of Plaintiff's products?

A. I would certainly presume so. It was before my time and I was there 16 years.

Q. All right.

Do you know whether this was sold under the phrase Carrom Game Board?

A. No, I don't. All I know is that Ben Cahn said he sold off 2,500 for a reduced price.

Q. Do you know whether or not a game called Carroms could be played on this board?

A. Well, I think a game similar to Carroms could be played on the board, yes. Ricocheting rings, I'm sure. Although there are only two pockets so you would have to have an adaptation of the pool type game.

[224]

Q. It would have to be different, it wouldn't be the exact game?

A. I would think not unless you have four pockets.

* * *

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* * *

CROSS EXAMINATION

Q. Mr. Erickson, I show you what has been marked as Exhibit R-42 and ask if you can identify that.

A. Yes.

Q. What is it?

A. Well, it is an advertisement or a story that Lee Smith wrote for promotional purposes.

Q. Who is Lee Smith?

A. Lee Smith was the general manager of Carrom Industries.

Q. For that period?

A. Well, I am guessing at this, but he started in about 1973 and left about 1960, I believe.

Q. This was a promotional piece prepared by him for distribution?

A. Yes.

* * *

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REDIRECT EXAMINATION

* * *

Q. Mr. Erickson, would you go through here, Exhibit D, and then D-1 through D-8, and identify any products illustrated there or mentioned there which you find are in competition with your Kicker products?

A. You don't mean illustrated. Identified.

Q. Identified, right, sir.

(Pause.)

A. I wouldn't know about the second one, D-1. It appears it could be a similar type of game. It is a general description of a trade mark. Wait, I think it says for footballs. But you are not going to have me read every one of these, are you?

Q. I just wanted you to look at the trade marks.

A. But I am going to have to fathom whether they are for the similar type of game or not?

Q. Right. That is what I am asking.

A. In other words, you want me to them.

Q. Right.

The Court: Since you have shown no compunction about already putting into evidence thousands of pages for the judge to read, why don't you just add this on to the judge?

Mr. Durkee: I was asking him whether any of these products are in competition with his product.

The Court: Oh, I see. I beg your pardon.

The Witness: Here is a game called Kicker.

Q. What is the number of that?

A. With no apostrophe. That is D-2 and says "Equipment sold as a unit for playing a table soccer game."

Q. Do you know whether that particular one is in the market?

A. No, I have never seen this before. This says kick-off. It is an apparatus consisting of a board and small playing pieces moveable thereon, sold as a unit for playing a football parlor board game.

Q. In your experience in the game business, have you

[241]

ever encountered that product?

A. No, I never have. But I would assume that it could be this same type of game.

Q. All right.

(Pause.)

A. Kick-the-Bucket, with another general description. Playing a parlor type game. I have no idea whether that is the same type of game or not.

Q. Or whether it was sold in the market place?

A. No, I don't know. Sounds like a funeral home.

(Pause.)

A. This is the same thing as the other one, isn't it?

Mr. Durkee: Right. Yes.

No further questions.

* * *

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* * *

ANNABELLE DAVIS, resumed:

CROSS-EXAMINATION

By Mr. Tulley:

Q. Miss Davis, have you had any formal training in copyright law?

A. No, I have not.

Q. Are you an author of any kind?

A. Merely of my thesis.

Q. Have you obtained any copyrights yourself?

A. No.

Q. For your thesis or otherwise?

You were asked by Mr. Durkee or Mr. Van Slyke or someone in their office to look for all the similarities you could find between the two rule books, I take it?

A. Yes.

Q. So this was not exactly a random comparison, was it? You were expressly looking for all the similarities you could find?

A. Yes.

Q. Did you as part of that comparison make any tabulation of the number of lines or the numbers of phrases which were identical throughout the entire two rule books?

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A. I made a chart which is in the exhibit which is under phrasing, the heading phrasing. And I wrote out all of those phrases.

Q. Did you compare that to the total? For example, are you able to tell us what percentage of the two rule books is similar, in your viewpoint?

A. No, I didn't.

* * *

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* * *

Q. Are you aware that a copyright expires after 56 years, Miss Davis?

A. Yes.

Q. So isn't it true that any game that appeared in that book copyrighted 1901 would have expired before Merdel's Rule Book was written?

Mr. Durkee: Objection. We are getting into legal matters here.

The Court: Yes. The witness has already made it

[250]

plain that she doesn't purport to be a copyright lawyer.

* * *

Q. Do you have any comparison chart that you did between this Defendant's Exhibit V—

A. Yes, I do. I have it right here. I don't know whether you want to number it afterward.

Q. Well, I don't—doesn't that chart show that there is substantial identity in all games mentioned in both rule books, Defendant's Exhibit V and the rules for No. 85 Carrom Board Rule Book, with the exception of things like capital P in Pins, et cetera?

A. Our problem is using the word substantial, of course.

[251]

Q. Let me clear that up; much more substantial than what you were able to find by comparing the No. 85 Carrom Rule Book with the Merdel Rule Book?

A. No.

* * *

* * *

TESTIMONY OF ALBERT DEL ZOPPO

DIRECT EXAMINATION

* * *

Q. Mr. Del Zoppo, do you know of any game played on a wooden game board which is named Carom?

A. Yes, we have a game called Carom on our game board.

Q. Which game is that?

A. In our rule book it's identified as Ring Carom.

Q. Is it identified in there as Carom, C-a-r-o-m, simply?

A. The index itself listed as Carom, but as far as we are concerned it's a Carom game.

Q. Do you know of any game named Carrom, C-a-r-r-o-m?

A. Not that I can recall as such.

* * *

Q. Mr. Del Zoppo, have you at any time tried to buy the game division of the Carrom Company?

A. Well, if you say tried to buy, I will merely state that I sent a letter to United Industrial asking if they were interested in disposing of the game division

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of Carrom.

* * *

Q. Mr. Del Zoppo, we have an exhibit here identified as Plaintiff's Exhibit 45A. Would you identify this for us and explain the time periods of its use by Merdel?

A. It was the second carton for the Carom board that we purchased, and I would say probably—and I see an identity there at the top, 1963. And probably continued until 1969 or '68.

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Mr. Durkee: Plaintiff offers Exhibit 45A into evidence.

(Plaintiff's Exhibit 45A was received in evidence)

Q. I show you a carton which has been identified as Plaintiff's Exhibit 46A. Would you identify that for us and explain the time periods of its use?

A. In looking at the upper righthand corner, and I would say that is a carton that we introduced in 1968.

Mr. Durkee: Plaintiff offers Plaintiff's Exhibit 46A into evidence.

The Court: You mean by that, Mr. Del Zoppo, that you have been using it from '69 to date?

The Witness: We used it from '68 to '71. We made a change in '71.

(Plaintiff's Exhibit 46A was received in evidence)

Q. Now I show you a carton that has been identified as Plaintiff's Exhibit 48A. Plaintiff offers that into evidence.

(Plaintiff's Exhibit 48A was received in evidence)

Q. Approximately when was the carton identified

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as Plaintiff's Exhibit 48A first used in the sale of the Merdel game board?

A. I can't give you the exact date. I would say the latter part of 1970, sometime after the term of the stipulation enabling us to use the term Carom board expired.

Q. When you use the term Carom board here, are you using two R's?

A. Verbally I don't know how you could distinguish between the two. I am talking about Carom board, C-a-r-o-m, our product, since you were talking about our carton.

Q. On this plaintiff's Exhibit 46A as distinguished from Plaintiff's Exhibit 45A I note that the top part up here is reverse printed, is that correct?

A. That's correct.

Q. Is that a more expensive process of printing than the one shown down on Plaintiff's Exhibit 45A?

A. Not to my knowledge.

Q. Reverse printing is not more expensive?

A. Not to my knowledge.

Q. I also notice here that on Exhibit 46A that

Carom with one R and Crokinole is added on the end flap as distinguished from Plaintiff's Exhibit 45A, is that

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correct?

A. So I see.

Q. I notice also on Plaintiff's Exhibit 46A that there is a description down here at the bottom called 100 Play Game Board by Merdel.

Do you consider that to be an adequate description of the Merdel game board?

A. In conjunction with the other material on the carton, I would say yes. Not alone, I would say.

Q. What was the game board by Merdel first called when you started your company?

A. 100 Play Game Board.

Q. Just simply 100 Play Game Board?

A. That's correct.

The Court: In other words, you have always referred to your board as the 100 Play Game Board?

The Witness: Until let's say sometime after March 2nd, 1970, at which time we started to call the Carom board, No. 100 Coram Board.

Q. Just to make it clear, was this particular carton, Plaintiff's Exhibit 45A, the one in use on March 2, 1967?

A. It was.

* * *

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* * *

Q. Mr. Del Zoppo, were you the one who prepared the rule book for the Merdel game rules?

A. I was.

Q. Since you first prepared the rule books have any changes been made in the text?

A. No changes in the rules themselves.

* * *

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* * *

Q. I show you the original rule book which has been

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identified as Plaintiff's Exhibit 101. I also show you Plaintiff's Exhibit 101A. What changes are there between that book, 101A, and Plaintiff's Exhibit 100?

A. Basically one of size, number of pages. I would say perusing the two books, that the games are identical. I also notice a change on the back cover in which we have a different illustration of the stand, in this 1966 rule book, from that in the original 1961 rule book.

* * *

Q. Mr. Del Zoppo, I show you Plaintiff's Exhibit 24AS. Would you identify that document for us? I ask you whether you prepared that document?

A. I prepared the document, I see my signature.

Q. What was the date of that document?

A. January 1967. Originally 1966 indicated

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on the letter, but it was crossed off; evidently corrected. It's January 1967.

Q. Is that a letter to the trade?

A. Yes.

Q. In that letter what designation is used to refer to the Merdel game board?

A. 100 Play Game Board which plays Carom, Crokinole, and a hundred different games.

* * *

Q. Have you ever used, since March 2, 1967, have you ever used the term Carom in conjunction with game board to designate the Merdel game board?

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A. I may have.

Q. You don't recall specifically?

A. No, sir.

Q. Mr. Del Zoppo, I show you a document which has been identified as Plaintiff's Exhibit 41. Is that a letter by you, prepared by you?

A. Yes, sir.

Q. What is the designation of the game board?

A. 100 Play Carom game board.

Q. What is the date of the letter?

A. May 23, 1968.

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* * *

Q. I have here a group of letters, Mr. Del Zoppo, which have been marked with Plaintiff's Exhibit 24.

Would you look at the first letter dated March 13, 1967? Did you prepare that letter?

A. It appears that I did, yes.

Q. What designation of the Merdel game board is used?

A. Carom game board.

Q. This was in March 13, 1967?

A. That's correct.

Mr. Durkee: Your Honor, to shorten things here, each one of these letters—maybe I should say most of these letters—are by Mr. Del Zoppo. They're at least by Merdel and in each instance the designation of the Merdel game board used is either 100 play Carom game board or Carom game board and I offer the entire exhibit into evidence as Plaintiff's Exhibit 24.

* * *

[270]

* * *

Q. Mr. Del Zoppo, I show you an exhibit which has been marked as Plaintiff's Exhibit 22H, which are Merdel invoices between March and June of 1967. Who prepared the invoices at Merdel during March to June 1967?

A. When you say "prepared," you mean who typed the invoices?

Q. Right.

A. It was Mrs. Ruth Douglas.

Q. Did you type any?

A. Occasionally I did. During that period of time I couldn't tell without checking.

Q. How would you check?

A. I used a typewriter with a larger type.

* * *

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* * *

Q. Mr. Del Zoppo, I show you Plaintiff's catalogs

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which have been identified as Plaintiff's Exhibits 25, 25A and 25B.

Would you identify these, please?

A. These are catalogs issued by Merdel at various times in the past.

Q. Do you recall the specific times?

A. I can't recall the specific dates but I see that there is some indication of that and I would say the blue catalog was issued in 1966, the green catalog in 1968 and the red catalog in 1969.

Q. So that the blue catalog would have been in effect on March 2, 1967, is that correct?

A. That is correct.

* * *

Q. Mr. Del Zoppo, I show you a document which has been identified as Plaintiff's Exhibit 26.

Would you identify that for us, please?

A. Price list issued by Merdel dated March 1, 1967.

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Q. What description of the game board is used on that price list?

A. 100 Play Game Board.

Q. Was that price list in effect on March 2, 1967?

A. Yes.

* * *

Q. I show you a document which has been identified as Plaintiff's Exhibit 26A.

Would you identify that, Mr. Del Zoppo?

A. Merdel price list, dated March 1, 1968.

Q. What is the designation of the Merdel Game Board used in that price list?

A. 100 Play Game Board.

* * *

Q. Mr. Del Zoppo, I show you a document which has been identified as Plaintiff's Exhibit 26B.

Would you identify that, please?

A. Merdel price list dated March 1, 1969.

Q. What is the description used there of the game, Merdel Game Board?

[280]

A. 100 Play Game Board, in parentheses (Carrom-Crokinole).

* * *

Q. Mr. Del Zoppo, I show you Plaintiff's Exhibit 26C. Would you identify that, please?

A. A Merdel price list.

Q. What is the description of the game board used there?

A. I am not complete.

Q. Excuse me?

A. —dated April 1, 1969, and designated as a jobber net price list.

Q. All right.

What is the designation and description used?

A. 100 Play Game Board, parentheses (Carrom-Crokinole).

* * *

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* * *

Q. I show you a document which has been identified as Plaintiff's Exhibit 26D.

What is that document?

A. Merdel price list dated February 15, 1970.

Q. What is the description used of the game board there?

A. 100 Play Game Board, parentheses (Carrom-Crokinole).

Q. Were you in charge of preparing these particular price lists?

A. I was.

Q. That we just went through.

* * *

Q. Mr. Del Zoppo, I show you a document which has been identified as Plaintiff's Exhibit 38.

Is this an example of your advertising since March 2, 1970?

* * *

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* * *

A. This was a flyer sent to the trade indicating

various products that we had to sell at a certain price and I have no date on it but I can tell you that it was subsequent to March 2, 1970.

Q. And the designation of the game board there?

A. Carom Board spelled with one r.

* * *

Q. Mr. Del Zoppo, I show you Plaintiff's Exhibit 44. Could you explain to us what it is?

A. It is one of our products. It is a hockey game, No. 700.

The Court: What is the number again?

The Witness: No. 700 is the model number.

Mr. Durkee: Exhibit 44.

Q. Is the name of this Carom, with one r, Hockey?

A. Is that the name of the game, are you asking?

Q. Yes.

A. We call it Carom Hockey and identify it on the

[283]

product as you see it.

Q. When you first began business, what did you call this same type of game?

A. We called it Hockey only.

* * *

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* * *

Q. When did you adopt this particular carton and the particular phraseology Carom Hockey?

A. I don't recall the exact date but again it was subsequent to March 2, 1970. I would say some time in 1971.

Q. Mr. Del Zoppo, does Merdel do very much advertising?

A. Very little advertising as such. We don't sufficient funds to engage in any large advertising expenditure.

Q. I show you a document which has been identified as Plaintiff's Exhibit 29.

Would you explain what that is?

A. It is a flyer sent to the trade inviting them to attend our exhibit at the Toy Fair during the period February 23 through March 4, 1970.

Q. What is the designation of the game board there?

A. 100 Play Carom Game Board.

* * *

[285]

* * *

Mr. Durkee: Your Honor, we thought over the invoices during the luncheon hour and what we would like to do is just offer this one volume that covers the one period at the time of the stipulation, March 2, 1967, as one exhibit, Plaintiff's Exhibit 22H.

* * *

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* * *

Q. Since March 2, 1967, has Merdel placed any ads which included the designation "100 Play Carom Game Board?"

A. I don't recall, but I do know that we have placed an ad yearly in a Toy Directory, Toys and Novelties. And also in Playthings, which is a toy publication directory.

Q. Do you recall what the designation was?

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A. For when?

Q. In the period March 2, 1967 and March 2, 1970.

A. No, sir.

Q. What designations are used during this same period, March 2, 1967 to March 2, 1970, in the Merdel invoices in connection with the description of the Merdel Game Board?

A. I think there has been variable designations. There have been descriptions such as No. 100 Carom Board, No. 100 Play Carom Board, perhaps, but I couldn't recall specifically how many or what or the various designations.

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* * *

Mr. Durkee: Since we are talking about the stipulation, your Honor, I think we ought to put it in evidence. We offer this as Plaintiff's Exhibit 4. This is the stipulation of settlement which led to the order of dismissal in the previous action in Michigan.

The Court: All right.

(Plaintiff's Exhibit 4 was received in evidence)

Q. Mr. Del Zoppo, are you familiar with the stipulation—

The Court: That was dated March 1, was it not?

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Mr. Durkee: March 2, 1967.

The Court: It was the same day. I see. All right.

Q. Are you familiar with that stipulation, Mr. Del Zoppo?

A. I am, yes, sir.

Q. After this stipulation was signed, by the way, do you recall when it was executed?

A. I don't know what you mean, when it was executed.

Q. Was it signed after March 2, 1967?

A. By whom?

Q. By Mr. Lundstrom and Mr. Pope.

A. I assume so. I saw their signature on the bottom of the stipulation, I think in some form or other at sometime or other.

Q. After this stipulation was entered into what steps did Merdel take to regard its provisions?

A. When you saw steps, Mr. Durkee, the stipulation indicated that we could use Carom or Caroms as we had been using it before, so therefore we could do just that. The other aspect of it, as I understood it, was that we were restricted in the usage of the term Carom board, which term, based upon Judge Kent's statements in the

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court, could be used by us immediately after the conclusion of the case, if the case had gone to a conclusion. So we said, in this agreement based on the second paragraph, that we would restrict usage which could have been ours at that point for a period of three years.

Q. But did you take any steps as such? Did you do anything? Am I following you, that you felt—

A. According to the statement I felt there were no positive steps that I could take. And as I look at the definitions of stipulation, it says to make an agreement or covenant with a person or company to do, or forbear something. We could do what we had been doing. We would forbear usage of the term Carom for a period of three years, Carom board. So I saw no positive action that we had to take.

Q. And consequently you didn't take any positive action, is that correct?

A. I took positive action in continuing to use the term Carom as we had been using.

The Court: In other words, you are saying that you understood this agreement or stipulation, as it has been called, to mean that Merdel could continue to do what they had been doing insofar as usage of names for your games, including any usage of the word Carom,

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spelled C-a-r-o-m.

The Witness: Exactly right.

The Court: Prior to this stipulation what had you—I say you, I should say Merdel—what games had been using the word Carom for?

The Witness: Are you speaking of the rule book, your Honor?

The Court: Any game that your company manufactured theretofore. Whether you used it on packaging—

The Witness: We used it, let's say in the selling tools of our business, namely the catalog.

The Court: Right.

The Witness: We used it on the carton, we used it in photograph material, we used it in advertising mats and generally speaking in selling materials.

The Court: All right. Was that used in respect to the game board?

The Witness: Yes.

The Court: Was it used in respect to—well, it wasn't used, I gather, in respect to Kick'er?

The Witness: No, sir.

The Court: Was it used in respect to your hockey game?

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The Witness: No, sir.

The Court: So that really am I right in inferring that you mean by that, that prior to March 2, 1967, the date of this stipulation, so-called, Merdel had only been using the name Carom in respect to its game board?

The Witness: Correct.

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The Court: Do you see that blow-up over there—I'm sure you do—where paragraph 2 of the stipulation is set off by that fancy colored underlinings, apparently of counsel's. If you will look at the third sentence which is underlined tastefully by someone in red, do you recall seeing that particular sentence?

The Witness: Yes, sir.

The Court: At or about the time when this agreement was signed for Merdel apparently by your lawyer?

The Witness: Yes, sir.

The Court: Who at that time was Mr.—

The Witness: Lundstrom.

The Court: What did you understand that sentence to be?

The Witness: That we would not revise or change our selling tools, and I am using that generally, to use the term Carom board as we are using it now

and as we started to use subsequent to March 2, 1970. In other words, we revised our catalog subsequently to 1970 so that—

The Court: After the three-year period was up?

The Witness: Right. We called it a Carom board in our catalog. We called it a Carom board in our carton. We called it a Carom board in all our advertising material.

Q. What did you call it during the three-year

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period?

The Witness: The carton had 100 Playgame Board, plays Carom and Crokinole. In our catalog we had 100 Playgame Board, plays Carom or Crokinole. In our mats we had 100 Playgame Board, plays Carom or Crokinole, in parentheses.

The Court: What is Crokinole?

The Witness: Crokinole is an old game, I think it is of foreign origin. It appears in many old publications. It is a game that is played on our Carom board on the opposite side of the checker side which consists of a recessed hole in the center. The object of the game is to—plus in addition to the recessed hole there are three circles of different dimensions. The object of the game is to try to shoot your ring into this recessed hole from maximum points. The opponent has as his objective, knocking out your ring

which might be in the hole or in the various circle areas.

The Court: I take it, Mr. Durkee, the plaintiff doesn't claim to own any rights in the game Crokinole?

Mr. Durkee: No, sir. Never have.

The Court: Forgive me for interruptions.

Q. Mr. del Zoppo, in your responses to the Court you mentioned the phrase Carom board. Was it your under-

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standing that you could use Carom board during the three-year period?

A. Mr. Durkee, I perhaps should clarify and indicate the atmosphere and the conditions which existed at the time this stipulation was drawn up.

At the conclusion of the second day, or during the second day of testimony, Judge Kent recommended twice that a settlement be made. He indicated that he had no qualms about invalidating the trademark if the case was pursued to its conclusion. We were not, let's say, in the defeated position. Any settlement that we entered into was one of, let's say—certainly not being restricted in the use of Carom, especially on the basis of how we had used it before. We were agreeable in the settlement to refrain from using the term Carom board, with one r, for a period of three years.

At that time there was no discussion, no negotiation point by point as to what this agreement was to consist of. In fact, Mr. Erickson and I were not present at the time the agreement was drawn up and we didn't see the agreement until about two weeks after it was drawn up, since we were in New York City.

Q. As I take it, you are saying that the only limitation that you had in regard to the stipulation was

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that you could not use the two words Carom board in that order?

A. Correct. And I might also mention—

Q. Let me break in here just a moment. And that you could use Carom board in that order?

A. Let me say, Mr. Durkee—

Q. No, Mr. del Zoppo, I am trying to—

The Court: Let him finish.

A. Our concern at that time, or let's say my concern in regard to the arrangement or stipulation was not to show to the public or even to the trade advertising and selling materials that would be taking advantage of the term Carom board. All these other things in regard to an invoice, a flyer, a letter to someone, never entered by mind that there would be—that I had to confine myself specifically every-time I wrote something to an exact usage of the term. If we had used it before in correspondence, I just didn't even think about it. But I knew that my obligation was not to change any of our selling materials which included catalogs, which included ad-

vertising mats, which included glossy photographs, and so forth.

Q. Do you know of any instance—let us stick to what the stipulation says—do you know of any instance on or about March 2nd, 1967, where Merdel had used in flyers

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to the trade the designation 100 Play Carom Game Board?

A. I can say positively that we did not, on March 2nd.

Q. On or about. I am not limiting to you the exact date.

A. Well, I think it's important. On or about could be a date preceding that, and it could be important.

Q. But you would say absolutely not, that you did not use it?

A. Positively. On March 2nd I didn't use any such statement.

Q. What about some sort of advertising that said Carom Game Board?

A. Mr. Durkee, I don't know. If you want to be specific, show me something and I may be able to give you a proper answer. But what about, I honestly can tell you I don't know.

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Q. Exactly what uses, in regard to the word Carom, was Merdel using on March 2, 1967?

A. We were using it in our catalog material, I mentioned; we were using the term Carom Crokinole in

our cartoning; we were using it in our advertising mats, in our glossy prints that we sent to customers.

Q. On an advertising mat, does that have any wording on it?

A. Yes, it does.

Q. All the time or sometimes?

A. Sometimes; it depends on the issue prepared, but our issues did have it.

Q. Are you using it as Plays Carom?

A. In some instances, yes. In our ad mat once specifically it was 100 Playboard Carom Crokinole.

Q. That was in your ad mat at that time?

A. Prior to, and we haven't changed it since.

Q. I am talking about on or about the date March 2, 1967. You are still using that same ad mat?

A. That's right.

Q. Do you have any other instances that you can recall on or about March 2, 1967, where the term Carom was used in connection with Game Boards to describe Merdel games?

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A. I'm sure we had a flyer in 1966. We had a flyer in 1967 which stated a hundred Playgame Board Carom Crokinole or Carom Crokinole Board, I recall, in one instance.

Q. Do you recall what flyers those are?

A. 1966, 1967, just prior to the Toy Fair. So it would be late February, probably early March. I'm pretty sure you have those exhibits.

Q. What do you say they show?

A. Well, I could tell you exactly what they showed if you will show me, but I'm telling you that I believe

that they showed that we used the term Carom Crokinole Board.

Q. Was that Carom, with one r, or Carom, with two r's?

A. Always one r.

Q. That one ad, where was it sent? Was it an ad?

A. No, it was a flyer sent to the trade prior to the Toy Fair inviting them to visit our exhibit.

Q. In 1967?

A. In 1966 and '67.

Q. About what time in 1967 did that go out?

A. I think if you will show me the exhibit I can tell you exactly, but I would say it was prior to March 2nd, since the Toy Fair started some time the latter part of February, as it usually does, and therefore the mailing

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piece went out prior to that date and we usually mailed them two weeks in advance to allow the mail to reach a buyer in sufficient time for him to look at the piece.

Q. Did you show that particular flyer to Mr. Lundstrom?

A. I wouldn't recall, Mr. Durkee, if I showed that flyer to Mr. Lundstrom. I don't know if I would show it to him. I don't recall.

Q. In regard to your game catalog at that time, on March 2, 1967, was Merdel using the word Carom, C-a-r-o-m, in connection with the designation of the game board in that catalog?

A. Yes. When you talk about in conjunction with,

I'm talking about the usage of Carom Crokinole with the identification No. 1 Game Board.

The Court: Let me see if I understand what you are trying to convey, Mr. Del Zoppo.

After the stipulation was signed, as I understand you, Merdel then, for three years, called its game board the 100 Playgame Board?

A. 100 Playgame Board, plays Carom Crokinole.

The Court: I am just wondering if there is any exhibit here that would show that. Would one of your cartons show that?

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The Witness: I think our catalogs, which have just been admitted.

The Court: I am frank to say there are so many catalogs in evidence—

Mr. Durkee: It should be Exhibit 25. They are blue, green and red, I believe.

The Court: Well, I remember it. Here is 25. You are right.

As you say—

The Witness: 100 Playgame Board, plays Carom Crokinole. Each catalog is almost identical in the description.

The Court: 25-A, which apparently was in vogue in 1968 appears to say the same?

The Witness: Right.

The Court: And 25-B, which was apparently in vogue in 1969, says the same?

The Witness: Yes.

The Court: I asked you about Crokinole. Tell me what you know about Carrom as a game. When did that come into existence, do you know?

The Witness: Based on the old Carrom rule book, the game has been in existence since, let's say, 1898 or thereabouts.

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The Court: From the time when the Carrom Company, spelled with two r's, started in business?

The Witness: Right. And Lee Smith, the president of Carrom Industries, was president at the time that I was employed there, prepared a booklet giving the history of the Carrom Company and the start of the game and so forth. And in that booklet he explained how a certain Mr. Haskell had decided that he would do something to try to keep the boys out of the pool hall, and he decided he would devise to what amounted to a pool game played indoors, and so you have the games of Carrom's Play Rings or ricocheting off another or pocket pool shots.

Q. Prior to March 2, 1967, Mr. Del Zoppo, did any advertising in Toys and Novelties or Playthings by Merdel include the word Carom, C-a-r-o-m, in any respect?

A. I think you want to clarify, Mr. Durkee, Toys and Novelties is a publication issued monthly, and so is Playthings issued monthly. We never did advertise in either publication.

However, the publishers also issue a directory once a year and we did have a small ad in Toys and Novelties and in Playthings since we started in business. And the exact wording of the copy during that period of time I don't recall. I know we used the term Carom Crokinole in those ads and I think if you have any exhibits I could verify that.

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Q. This is prior to March 2, 1967?

A. Yes, sir.

Q. Do you recall about what year that was?

A. I don't.

Q. Or years?

I thought we had asked for all that information and we don't have that information.

Mr. Tully: I'm not sure I understood the question. Before 1967, using that same format? I'm not aware of any.

A. Using what specific description?

The word Carom in that ad, in any respect.

A. Well, I thought we may have. Now, I could be wrong. I thought we had used the term Carom prior to '67 in some of those ads; maybe not.

Q. In any event, have you done so in the period March 2, 1967, to March 2, 1970, in respect to that type of ad in the directory issues of toys and novelties?

A. I'm assuming that we did it prior to '67 and I certainly would think we did it subsequent to '67, yes.

Q. Do you recall, Mr. Del Zoppo, whether you used or Merdel used, I should say, early in March of 1967 the phrase Carom board to describe the Merdel game board on an invoice.

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A. Yes, we did.

Q. Do you recall the appropriate date?

A. I think we used the term Carom board in our invoices somewhat extensively prior to '67, so I don't recall any specific date.

Q. But you did use it after March 2, 1967?

A. We did.

Q. Did you use it extensively after March 2, 1967?

A. We did.

Q. During this same period of time, March 2, 1967, to March 2, 1970, did you, on behalf of Merdel, issue letters to various customers using a designation of the Merdel game board which included the word Carom?

A. Mr. Durkee, you are saying did I issue letters to someone. I didn't issue letters to someone, I may have had some correspondence with some person

and I'm sure that during that period of time there may have been a letter or two, three or four, in which I used that term. But I certainly didn't issue any letters as such. Using the term "issue" is the thing I'm questioning.

Q. I just meant sent out correspondence or had correspondence, whatever you want to call it.

A. Yes, I had some correspondence during that

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period of time in which I may have used the term Carom.

Q. Isn't it true in most of the cases where you referred to the Merdel game board you used the word Carom in the designation during that period of time.

Mr. Tully: What designation are you talking about?

Mr. Durkee: The designation of the game board, the reference, the description.

Q. When you—

Mr. Tully: Talking about exactly what usage?

A. 100 play Carom—

Q. I'm talking about where you have game board with Carom associated right with game board and without any place in between.

A. There may have been several instances, I would say, over that period of time, yes.

Q. Isn't it true that in almost all of the instances that you did so?

A. How many instances are we talking about?

Mr. Tully: I'm going to object. For the past five minutes we have been talking about documents and letters. If they are here, let the witness look at them.

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The Court: Not only that but the question is fraught with ambiguity for both sides, including your side, Mr. Bill Durkee, and I don't think you mean that.

In other words, are you talking about in invoices, are you talking about in correspondence, are you talking about advertising, are you talking about catalogs? We have got to have some frame of reference, otherwise we are at sea here.

Mr. Durkee: I was talking about correspondence. I apologize.

The Court: All right. So rephrase your question.

Q. In your correspondence during March 2, 1967, to March 2, 1970, and you referred to the Merdel game board by some description, isn't it true that in almost every instance where you did that you included the word Carom, C-a-r-o-m?

A. I still question that, Mr. Durkee, because you are talking about letters I have written over a period of three years.

Mr. Tully: Look through Exhibit 24 and find out what the usages were (handing).

A. I have just hurriedly counted these. There are approximately 40 letters written over this period of

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time that you are referring to, and most of them use the term Carom in some form or other, either Carom board or 100 Play Game Board Carom-Crokinole.

I also notice that there is one here referring to a notice that we sent to the local newspaper advising them of the termination of the Michigan lawsuit and I see you are using that as an exhibit of our invalid useage of the term game board Carom Crokinole in parenthesis.

Q. Thank you, sir.

During this same period of time, do you recall any instance where you used Carrom, with two R's, board to refer to the Merdel game board?

A. I saw one in there, Mr. Durkee, and I say that a reading of the letter that accompanied my usage would indicate that I was referring to the plaintiff's Carom board and I can't see why you would even raise that question, since certainly if somebody is specifying in a bid, as occurred in this instance, that they want a quotation on, let's say, 125 board spelled with C-a-r-r-o-m, and I refer to that bid, I certainly would refer to it as C-a-r-r-o-m, exactly as specified in the bid. I was referring to your company's Carrom board.

Q. The particular letter—

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Mr. Tully: That letter is addressed to Mr. William Richman, the representative of Merdel also.

Mr. Durkee: I was getting ready to identify it. It is Plaintiff's Exhibit 24K, which consists of both that letter and the letter from Mr. Greenberg, which started the whole thing.

* * *

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* * *

When you make a sale, do they request a specific description of your product which turns out as this item data sheet?

A. Yes, they ask us to furnish information pertaining to our product, right.

Q. During this period March 2, 1967 to March 2, 1970, did you send out such sheets to Montgomery Ward which included the designation 100 Play Carom Game Board?

A. I didn't see the date on that, Mr. Durkee. I assume I did in view of the fact that you have it here.

This is dated February 10, 1970, so I sent 100 Play Carom Board identification.

Q. To Montgomery Ward?

A. Yes, sir.

Q. What did you send in February 21, 1969?

A. 100 MW, which is a special designation for Ward, Carom Game Board, Plays Carom Crokinole.

* * *

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* * *

Q. In regard to Top Value, do you recall what description of the game board you were sending to them in connection with your sale to them for their placing it in their catalog?

A. I don't recall, no.

Q. Do these documents help you, Mr. Del Zoppo?

A. Yes. December of 1967 I designated as description for the game board, 100 Play Carom Game Board, Plays Carom Crokinole. 68 is the same. It is very possible that prior to 1967 I did the same.

* * *

Q. In connection with the sale to Penney's, apparently in 1969, you apparently sent some product information sheets that you refer to here. Do you recall what designation

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you used?

A. No, sir.

Q. What is the 100 Play Carom Play Board?

A. I don't know.

Yes, it was a 100 Play Carom Game Board, February 1969.

Q. That was to J. C. Penney?

* * *

Q. Do you know whether any of these catalogs that we are talking about here adopted this usage

and published it in their catalogs in connection with your game board?

A. I don't know what catalog you are talking about.

Q. Ward's, Penney's, TV—

A. Adopted what usage?

Q. 100 Play Carom Game Board.

A. I don't recall exactly. I know that Montgomery Ward specifically specifically for years advertised our product as No. 100 MW or something game board, and highlighted the whole ad with the term Carom, C-a-r-o-m, and usually with copy following that, states one of the many games played on this game board. That is very vivid in

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my mind since they have been doing business with us for a good many years and they use practically the same copy.

* * *

Q. You make a statement that "However, we have established an identity for our 100 Play Carom Game Board and we will continue to identify it as such for the time being."

This is in January, January 7, 1970.

Now, would you explain to us just what steps you took to establish this identity?

* * *

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Q. Now, getting back to my original question, what exact steps did you take to establish that identity?

A. Well, our catalog, our advertising material makes full use of the term "Carom Crokinole." Our game board, 100 Play Game Board has as much identity in conjunction with the use of Carom and Crokinole as one could expect in view of our having used it since the start of our business in 1961.

Q. Mr. Del Zoppo, prior to the time you participated in the formation of Merdel, did you know of any company in the game business using the term Carrom - C-a-r-r-o-m or the term Carom - C-a-r-o-m in connection with the sale of games?

A. None other than Bentley, as Mr. Erickson testified, a Canadian firm.

* * *

Q. Are they still in existence today?

A. I don't know. They were in existence at the time we started in business.

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Q. Do you know whether they are selling in the United States?

A. No, I do not. I might add there, I think they were selling to Sears, Roebuck, the Canadian subsidiary of Sears, Roebuck, U.S.A.

Q. This was in Canada?

A. In Canada.

* * *

Q. At the time you prepared the Merdel Rule Book did you refer to anything before you started writing?

A. Oh, yes.

Q. What did you refer to?

A. I had a copy of the Plaintiff's No. 85 Rule Book, I think it was, at the time. And I had a book of games

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called the Complete Book of Games, as reference material. I also went to the library in town to try to obtain information on games.

* * *

Q. How did you go about preparing the Merdel Rule Book?

A. What I decided to do, as I and my associates did since the time we started this business, was to see what the competition was doing and do something different to get away from what they were doing. We saw many areas of improvement that we thought we would adapt for our usage.

So I looked at the Carrom Rule Book, read it over. I thought it was some what poorly organized, I thought it was unclear insofar as describing the play of games in many instances, and I read the games, determined what the general nature of the game was, and threw it

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aside and programmed my own rules.

Q. How did you select the drawings illustrated in the Merdel Rule Book?

A. How did I select the drawings?

Q. Right.

A. We had our own game board and based on the nature of the game that was to be played we just had an artist draw up this game board illustration for us.

* * *

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* * *

Q. Do you know who drew these pictures?

A. Yes, sir.

Q. Who was that?

A. A gentleman by the name of Mr. Don Day.

Q. Where is he?

A. Located in Pentwater, Michigan.

Q. Would you explain to us how he got into the preparation of the Merdel Rule Book? I had understood that you had done it.

A. That I had drawn those things?

Q. No, that you had prepared the books.

A. Mr. Day is, or was at that time a retired advertising man and he was working part time for Danielson Printing Company. When we had the rule book made up by Danielson Publishing Company, Mr. Don Day, being employed by

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Danielson, had the job of drawing up the game board. He was employed by Danielson, and we asked Danielson to prepare the rule book, which included illustrations, and Mr. Day designed and drew it up.

Q. Did you tell him what games you wanted an illustration for?

A. Oh, yes, I must have.

Q. What did you tell him about the illustrations?

A. I don't recall what I told Mr. Day. I told him to illustrate this particular game, and I furnished him a game board, unquestionably, and probably placed the rings in the position that you see it in the illustration. He just drew up the illustration.

* * *

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* * *

Q. Mr. Del Zoppo, let me refer you to page 51 of the Carrom rule book, No. 101, which illustrates the game minutes and hours. The game is played on the Crokinole side of the board. Next is equipment, colon, and then the next subject is object of the game, colon, and the next subject is the game, colon.

Do you remember where you developed that format?

A. I specifically did. This is one very definite thought that I had as I looked at the Carrom Company rule book. As I mention, I didn't think it was too well organized, and I thought that some important elements should be outlined right at the beginning of the rules for the game.

[325]

So I say very definitely this was my idea. I think you will see, Mr. Durkee, that this particular format is quite consistent throughout most of the rule book. I don't know if there are any exceptions.

* * *

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* * *

Q. Have you received any game products as returns, Carrom game products?

A. Yes, we have had over the period of 11 years an instance or two in which a dealer would return, in addition to our products, a product belonging to the plaintiff.

Q. You say in addition to?

A. Yes.

Q. It would be a big package mixed in with both companies' products?

A. Right.

* * *

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CROSS-EXAMINATION

By Mr. Tulley:

Q. Mr. Del Zoppo, just a couple of questions on this stipulation.

First of all, did you believe that anything that you were doing during the period 1967 to 1970 constituted a breach of the stipulation as we understood it and that was matters pertaining to sales and advertising, selling tools, as I said.

Q. You mentioned that on some invoices you did use the phrase "Carom board which you said was in your understanding a prohibited use. Why did you use Carom board on those invoices?

A. On invoices?

Q. Yes.

A. Over the years, even prior to '67, the typist had typed up Carom board for facility in typing. Hundreds of invoices, as we have seen, were sent out and the typist, let's say, took an easy way out. Instead of typing five or six words, they tried to reduce it.

Q. All right. I hold up here a small carton identified as Defendant's Exhibit Z3, which is invoices for 1965 and 1966. These invoices reflect uses similar to the uses shown on invoices after 19—

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A. They do.

Mr. Durkee: Your Honor, I object to this testimony as being irrelevant to the issue at hand because the stipulation says "on the day of;" which is March 2, 1967, or about that time.

The Court: That point you've made before, but I don't think it meets what is going on here. You yourself drew from this witness and others that certain things went on before and certain things went on after the stipulation date.

Mr. Durkee: Your Honor, I was trying not to, things were volunteered.

The Court: That may be but that doesn't mean we could keep this out. It seems to me to be perfectly relevant. Go ahead.

Mr. Tully: I move the admission of Z3.

Mr. Durkee: Same objection.

The Court: Overruled.

(Defendant's Exhibit Z3 was received in evidence)

Mr. Tully: Just so I'm clear, because this is the first time this has come up, do I understand that the plaintiff's position is that Merdel could only do what it was doing on the date March 2, 1967, or a few

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days either side, or a few days prior to that date?

The Court: Apparently that is it. I have never quite seen the rationale for this, but isn't that so, Mr. Durkee?

Mr. Durkee: Yes, your Honor. That to us is what the words say.

The Court: I don't know what words you are referring to. It's always been a marvel to me.

Mr. Durkee: We agreed to stipulate to certain things that occurred on the date of this stipulation. Okay.

The Court: That's the Durkeeian approach but I'm looking at the document, but I don't see it. But rather than argue it now we are only concerned with going ahead here. Let's get this over with. We are losing a lot of time. We can argue all this later. Let's let Mr. Tulley have his cross-examination.

Q. An advertisement which has been claimed prior to this time to be a breach of the stipulations in the June 1969 Toys and Novelties Director. Do you have that? I think comparing it with defendant's Exhibit T13, which was contained on the memo that Mr. Cahn sent to Mr. Einstein, you see that they're identical. This is Plaintiff's Exhibit 32 and I believe you're familiar

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with the exhibit I reference from Mr. Cahn to Mr. Einstein which enclosed the identical ad in 1968. Are you?

A. Yes.

Q. Did anyone from Affiliated Hospital or Carrom or United Industrial or did anyone contact you and tell you that the ad which appeared in 1968 constituted a breach of the stipulation in their opinion?

A. No, sir.

* * *

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* * *

Referring to Defendants' Exhibits A and B, there was a question earlier as to where these came from. Can you identify—you have Exhibit B—identify that, please?

A. Exhibit B is an advertisement for a Kick-In game and I obtained that at the toy fair in 1968.

Q. Exhibit A?

A. Exhibit A is an advertising piece with the name PZT Associates as the sources and it advertises a

game called Kik-It table soccer. This I also obtained at the toy fair.

Q. You are sure it's the toy fair? Wasn't that the letter you received from one of your representatives?

A. I didn't have the letter and I don't recall it. I assumed it was part of this. But I don't know.

Q. Have you been in contact with PZT Association?

A. Yes, I have.

Q. Have you determined they're still in business and still marketing this product?

A. That's correct.

Mr. Tully: I move the admissions of Exhibits

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A and B not for any purpose other than to show names used for similar type games to Kick'er.

Mr. Durkee: I object, your Honor, on the grounds that I don't know the extent of the use or any other thing involved here and Mr. Del Zoppo himself has admitted that I think one of them came from somebody else who obtained it someplace else, and the other one came at the Toy Fair, and I still don't know why or what or by whom.

Mr. Tully: I'm not offering it for extensive use or showing it's marketed or anything of that purpose. I'm simply trying to show—

The Court: That it's an advertisement used at the toy fair?

Mr. Tully: Right.

The Court: For that purpose we will receive it.

* * *

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* * *

Q. There's been some discussion, Mr. Del Zoppo, regarding the uses which you made prior to the stipulation.

I show you in a group Exhibits S-1 to S-20 and ask you whether or not those are all uses made by you prior to March 2, 1967, in correspondence—

Mr. Durkee: Same objection, your Honor.

The Court: Same objection as what?

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Mr. Durkee: The objection is (a) that it is irrelevant to any issues in this suit; and I should say immaterial; and (b) it is—

The Court: Is this your idea of an opinion argument?

Mr. Durkee: It is just irrelevant to the whole stipulation and we are not charging those with infringements, if I recall, if they are all before March 2, 1967.

The Court: I must say you are incredibly ingenious, Mr. Bill Durkee. But I am going to overrule you.

* * *

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* * *

Mr. Durkee: Yes, sir. I would like to offer into evidence two pages, one page from the transcript of proceedings in the prior Michigan action, which has been marked as Plaintiff's Exhibit 66, and plaintiff moves or offers this into evidence.

This is a statement by Mr. Lundstrom as to the prior usages of Carrom by Merdel and he says, "We used the word Carrom not to describe our board" to the Court.

* * *

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Mr. Durkee: In addition, plaintiff would like to offer into evidence Plaintiff's Exhibit 65, which is page 25 out of the trial brief of defendants in the prior Michigan action, which includes a similar statement by Mr. Lundstrom as to the prior usages and the then current usages of the word Carrom.

* * *

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* * *

Mr. Tully: I would like to formally at this time make a motion to amend the pleadings to include the fact that the stipulation does constitute a bar to the suit in this case to the extent it is necessary.

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The Court: Does it constitute a bar to the copyright claim?

Mr. Tully: I am dealing now with trade mark infringement issues; that the stipulation is a bar and that this to me has always been recognized by the fact that the suit was started for rescission. I waive the laches and estoppel amendment which I mentioned in my letter.

I would also like to amend to—

The Court: You waive—

Mr. Tully: The laches and estoppel.

* * *

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* * *

Mr. Tully: I have dictionary Exhibits M, M-1 through M-4, and in Exhibit N, which is a portion of a book.

The dictionaries are Webster's New World College Edition, Exhibit M. Webster's New World Concise Edition, M-1. The World Book Dictionary, M-2. The Winston Dictionary, M-3, and the World Book Encyclopedic Dictionary, M-4.

N is a novel, At The Drop Of A Veil, published by Houghton Mifflin Company, Boston, 1971.

The dictionary exhibits all reference C-a-r-o-m-s as the name of a game. And Exhibits N on page 64 references a game C-a-r-o-m, or mentions a game C-a-r-o-m.

I move the introduction of these exhibits.

Mr. Durkee: Objection, your Honor. This again is being offered to show the truth of the matter stated and it is just rank hearsay.

The Court: What is just rank hearsay?

Mr. Durkee: He is trying to introduce statements of somebody, that C-a-r-o-m-s is the name of a game.

The Court: You are talking about N. You are not talking about the dictionary.

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Mr. Durkee: I am talking about the dictionaries, to begin with.

The Court: My dear Mr. Durkee, you told me at the outset of this case that you are familiar with a case called Flexitized vs. Flexitized.

Do you remember who the trial judge was in that?

Mr. Durkee: Very well, your Honor.

The Court: Did you read the opinion of the trial judge?

Mr. Durkee: Yes, your Honor.

The Court: Did you see what the trial judge did there?

Mr. Durkee: Yes. But I am still going to make my objection here.

The Court: Bully for you. I am going to overrule you on M-1-4. I must say I sympathize with you on this novel. I don't understand that.

Mr. Durkee: I don't, either. The copyright I believe is 1971. I don't know who—the author is Marryann Alireza.

The Court: I would much rather have the plaintiff or defendant put in the Complete Book of Games. But I will not receive N.

* * *

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PRETRIAL STIPULATION

(Caption Omitted)

(Filed April 30, 1973)

The parties, by their respective counsel, hereby stipulate to the following matters for the purpose of this action only.

1. The Parties in Suit

1:1 Plaintiff, Affiliated Hospital Products, Inc., (hereinafter referred to as "Affiliated") is a corporation organized and existing under the laws of the State of Delaware, having its principal place of business at 1920 South Jefferson Avenue, St. Louis, Missouri 63104.

1:2 Plaintiff owns and operates a business division, currently known as the Carrom Division, which manufactures game products and institutional furniture.

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1:3 Plaintiff's Carrom Division is the successor to a continuing line of business which originated prior to the turn of the 20th Century.

1:4 This continuing line of business has operated under at least the following trade names: prior to about 1900, "Ludington Novelty Co."; between about 1900 and 1905, "Carrom Company"; between about 1910 and 1915, "Carrom-Archarena Co."; between

about 1915 and 1939, "The Carrom Company"; between about 1939 and 1960, "Carrom Industries, Inc."; and after 1960, "Carrom Industries Division of Shampaine Industries, Inc.," "Carrom Division of Affiliated Hospital Products, Inc.," or "Shampaine/Carrom, a division of Affiliated Hospital Products, Inc."

1:5 Defendant, Merdel Game Manufacturing Company, (hereinafter referred to as "Merdel") is a corporation organized and existing under the laws of the State of Michigan, having its principal place of business at 218 East Dowland Street, Ludington, Michigan.

1:6 Defendant Merdel was organized by a group including three former employees of Plaintiff's business who left Plaintiff's business in 1961. At the time of termination of their employments with Plaintiff's business, Robert L. Erickson was Works Manager in charge of all plant manufacturing operations, and had worked for Plaintiff's business almost 16 years; William J. Mueckler was the Division Manager for the Games Division, and had worked for Plaintiff's business for over 20 years; and Albert J. Del Zoppo was Division Manager for the Institutional Furniture Division, and had worked for Plaintiff's business for almost 16 years. William J. Mueckler became President of Defendant Merdel; Robert L. Erickson, Vice-President; and Albert J. Del Zoppo, Secretary-Treasurer.

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1:7 One of the products of Defendant Merdel which

was first marketed in 1961 was a wooden game board capable of having played thereon many games and similar in type and function to and in direct competition with a wooden game board manufactured by Plaintiff's business. Such game boards are hereinafter referred to simply as "game boards."

1:8 Orders for the sale of toys and games manufactured by Plaintiff and Defendant Merdel are solicited by a system of manufacturers representatives. Toys and games are sold by Plaintiff and Defendant Merdel primarily to wholesalers, jobbers, mail order houses, catalog houses, department stores, school systems, churches and recreation centers. With the exception of the last three categories, such sales are for eventual repurchase by the ultimate consumer. Plaintiff and Defendant Merdel make some sales to individuals in response to direct orders.

1:9 Defendant Merdel is selling its game boards in interstate commerce and is transacting business in the State of New York and within the Southern District of New York.

1:10 Defendant, William Richman Associates, Ltd., (hereinafter referred to as "Richman") is a corporation organized and existing under the laws of the State of New York, having a place of business at Suite 919, Toy Building, 200 Fifth Avenue, New York City, New York.

1:11 Defendant Richman is a manufacturer's representative representing Defendant Merdel in the sale of Merdel's products in the northeastern states in-

cluding the metropolitan New York area and the Southern District of New York.

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1:12 Defendant Bernard Cahn, (hereinafter referred to as "Cahn") is an individual residing at 2557 Marion Avenue, Bronx, New York.

1:13 Defendant Cahn acts as a representative of Defendant Richman in the sale of Merdel products in the New York metropolitan area, and works out of Defendant Richman's New York office.

2. Jurisdiction

2:1 This Court has jurisdiction over the parties and the subject matter involved in this cause.

3. The Registrations in Suit

3:1 Plaintiff is the owner of the United States Trademark Registration No. 49,996 for CARROM. Quoting from the Registration Certificate: "The trade-mark to which this trademark is appropriated is games and toys and the particular description of goods comprised in said class upon which this trade-mark is used is game-boards." The registration was originally obtained on February 27, 1906 under the Trademark Act of 1905 for the mark CARROMS (in a stylized form), but the registration was amended on March 15, 1966 to CARROM (in a block letter form). The registration has been renewed from time to time, the last renewal being on February 27, 1967.

3:2 Plaintiff is the owner of United States Trademark Registration No. 37,800, issued January 23, 1940 and renewed January 23, 1960 for KIKIT for board games played with movable pieces.

3:3 Plaintiff is the owner of the United States Trademark

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Registration No. 776,546, issued September 8, 1964 for KIK-IT for equipment (or apparatus) sold as units for playing various types of board games.

3:4 On April 23, 1945, Plaintiff's predecessor in title, Carrom Industries, Inc., published a rule book entitled "Rules for Games—No. 85 Carrom Board" and complied in all respects with the Copyright Act of 1909, and amendments thereto and all of the laws governing copyrights, and secured the exclusive rights in and to the copyright in said rule book. The author of the rule book was William J. Mueckler.

3:5 On October 29, 1945, Plaintiff's predecessor made application for copyright registration, and The United States Copyright Office issued a certificate of registration, Registration No. 496,140 in Class AA, for said rule book.

3:6 Since first publication, said rule book has been published by Plaintiff and its predecessors in title, and all copies of it published by Plaintiff or its predecessors in title or under their authority or license have been published with proper copyright notice and in conformity with the provisions of the Copy-

right Act of 1909, and amendments thereto, and the Copyright Statute 17 U.S.C. 1 et seq.

3:7 Plaintiff, through its predecessor in title, has been and still is sole proprietor of all right, title and interest in and to the copyright in said rule book and is the owner of said copyright registration.

4. The Commercial Use of CARROMS and CARROM by Plaintiff Without stipulating as to trademark or non-trademark use in this Section 4:

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4:1 Beginning in about 1892, and continuing to date, the word "carroms" has been used by Plaintiff and its predecessors in connection with the sale, offering for sale, advertising and distribution of game boards in interstate commerce.

4:2 Since about the year 1902, and continuing to date, Plaintiff and its predecessors have continuously used and still use the word "carrom" in connection with sale, offering for sale, advertising and distribution of game boards in interstate commerce.

4:3 Since about the year 1902, the word "carrom" has been used by Plaintiff and its predecessors in connection with sale, offering for sale, distribution, and advertising of game boards and the following game products and child development toys at the time periods indicated:

A game product where opposing players try to knock a ball into opposing nets (1939 to present);

A game product simulating the game of golf (1950 to 1952);

A game product simulating drilling for oil (1940-1943, 1946-1949, and 1958).

A game product involving a simulated game of hockey (1946 to present);

A game product for playing the game of skittles (1939 to present);

Balancing boards (1954 to present);

Dart boards (1943 to 1949);

Table tennis tables (1930-1942 and 1948 to 1954);

A table-size variation of tennis (1957 to 1958);

Hammer and peg sets (1946 to 1956);

Game turntables (1956);

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Poker tables (1910 and 1943); and

Other game products.

4:4 The word "carrom" has also been used by Plaintiff and its predecessors in interstate commerce, during the 1920's and early 1930's, in connection with advertising and sale of various other products, including folding tables and chairs, wood specialties, cabinets, aircraft plywood, and mounting lumber (without stipulating as to the relevance of such uses).

4:5 In or about 1936, Plaintiff, through its predecessors, began the manufacture and sale of furniture, including at various times, beds, cabinets, chests,

tables, chairs, mirrors, and desks, sold particularly for use in hospitals, hotels, dormitories, and the like (without stipulating as to the relevance of such manufacture and sale).

4:6 The only trademark registration Plaintiff has for the word "carrom" is for the class of merchandise "games and toys, and the particular description of goods comprised in said class upon which this trademark is used is game-boards."

4:7 The word "carrom" has been used by Plaintiff and its predecessors in connection with sale, offering for sale, advertising and distribution of its furniture since the beginning of its marketing (without stipulating as to the relevance of such use).

4:8 Plaintiff and its predecessors have advertised one or more of their game products, using the word "carrom," as follows in the period 1955-1970:

Magazines Having National Circulation
American Recreational Annual

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1961 Edition (92)
1962 Edition (50)

American Recreation Journal

June-July 1961 (15)
August-September 1961
October 1961
November 1961
January 1962

American Recreation Society Bulletin

January-February 1959

Boy's Life

December 1962 (84)

Buyer's Guide & Camp Directory

1964

1966

1967

1968

Camp Directors Guide

1964

1965

Hardware Age

October 1961 (96)

Hardware World

May 1961

Living Trails for Girls

November 1961 (22)

National Sporting Goods Assn.

1966 Christmas Catalog

Playthings

April 1960

March 1961

Playthings—Directory Issue

1961	1966
1962	1967
1963	1968
1964	1969
1965	1970

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Selling Sporting Goods

September 1959
 September 1960
 October 1960
 November 1960
 January 1961 (174)
 September 1961 (82)
 October 1961 (92)
 October 1961
 January 1962 (185)
 January 1962
 January 1963

Sports Age

May 1961 (44)
 June 1961 (143)

Sports Age Guidebook

June 1962

Sporting Goods Dealer

January 1955
 February 1955
 March 1955 (221)

April 1955
September 1955
October 1955
November 1955
January 1956
February 1956
March 1956
September 1956
October 1956
January 1957
February 1957
September 1957
October 1957
November 1957
January 1958
September 1958
November 1958
December 1958
January 1959
September 1959
January 1960
February 1960
April 1960 (279)
September 1960
October 1960
December 1960
December 1960 (194)
September 1961 (199)
October 1961 (198)
December 1961 (269)

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Sporting Goods Products

January 1961 (8)

March 1961
September 1961 (17)
October 1961 (8)
October 1961 (4)

Toy & Hobby Distributors List
1968

Toy and Hobby Retailer (The)

January 1961 (25)
February 1961 (22)
March 1961 (34)
April 1961 (16)
May 1961 (22)
September 1961 (15)
June 1961 (23)
July 1961 (19)
August 1961 (13)
September 1961 (15)
October 1961 (12)
November 1961 (11)
December 1961 (9)

The Toy & Hobby Wholesaler

July 1961 (18)
August 1961 (51)
September 1961 (11)
October 1961 (15)
November 1961 (9)
December 1961 (16)

Toys and Novelties—Directory Issue

1959-60 (cover)
June 1962 (1)

1963-64

1965

1966-67

1968

1969

Toys and Novelties

- 1954 — January, February, March, April,
May, June, July, August, September,
November, December
- 1955 — January, February, March, April,
May, June, July, August, September,
October, November, December
- 1956 — January, February, March, April (108),
May, June, July, August, September (116),
October, November, December

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- 1957 — January, February, March, April,
May, June, July, August, September,
October, November, December
- 1958 — January, February, March, April,
May, June, July, August, September,
October, November, December
- 1959 — January, February, March, April, (back
cover), May (back cover), June, July,
(back cover), August (back cover),
September (back cover)
- 1960 — January, February, March (476), April,
May, June, July, August, September,
October, November, December

- 1961 — Monthly, January through December
(covers)
- 1962 — Monthly, January through December
(covers)
- 1963 — Monthly, January through December
- 1964 — Monthly, January through December
- 1965 — Monthly, January through December
- 1966 — Monthly, January through December
- 1967 — Monthly, January through December
- 1968 — Monthly, January through December
- 1969 — Monthly, January through December
- 1970 — Monthly, January through December

The Toy Wholesaler

February 1959
April 1959
June 1959
September 1959
October 1959
January 1960
February 1960
March 1960
April 1960
July 1960
August 1960
January 1961 (31)
February 1961 (38)
March 1961 (60)
April 1961 (23)
May 1961 (25)
June 1961 (18)

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Conventions and Exhibits:**"House of Good Taste"****World's Fair 1964-65 New York****Joint Exhibit with F.A.O. Schwartz****Annual American Toy Fair—New York****Annually, 1955 through 1970****Dallas Toy Fair Exhibit,****Dallas, Texas—1968****Product Brochures & Catalogs:****Separate Catalog for each year****Price Lists:****A separate price list for each year****Radio & T.V. Advertising:****August 25, 1961****WCCO-TV, Minneapolis, Minn.,****September 2 & 16, 1961****Mailings to Customers & Trade:****1955**

Date	Author
January 25	Wm. J. Mueckler
June 10	Wm. J. Mueckler
August 25	Wm. J. Mueckler
October 1	Wm. J. Mueckler

1956

January 10	Wm. J. Mueckler
January 23	Wm. J. Mueckler
April 17	Bernard Cahn
June 25	Wm. J. Mueckler

1957

February 25	Wm. J. Mueckler
May 14	Wm. J. Mueckler
May 23	Wm. J. Mueckler
May 28	Wm. J. Mueckler
August 14	Wm. J. Mueckler
September 9	Wm. J. Mueckler
September 26	Wm. J. Mueckler
November 1	Wm. J. Mueckler

1958

February 25	Wm. J. Mueckler
April 24	Wm. J. Mueckler
September 17	Wm. J. Mueckler

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Mailings to Customers & Trade (Continued)

1959

February 23	Wm. J. Mueckler
April 23	Wm. J. Mueckler
September 16	Wm. J. Mueckler

1960

February 16	Wm. J. Mueckler
March 31	Wm. J. Mueckler
April 12	Wm. J. Mueckler

1961

February 22	Wm. J. Mueckler
May 25	Robert Bucholtz
June 7	Robert Bucholtz

For each of the years
1962 through 1970—

Letters to trade immediately prior to Toy Fair enclosing copy of current catalog, and invitations to visit show room at Toy Fair

4:9 Prior to 1955, Plaintiff and its predecessors have advertised one or more of their game products using the word "carrom" by distribution of product brochures and catalogs, mailings to customers and prospective customers and in at least the additional publications of national circulation identified as follows:

- American Boy
- American Exporter
- American Magazine
- Baptist Union (The)
- Better Homes and Gardens
- Bookseller and Stationer (The)
- Boy's Life
- Children's Activities
- Epworth Quarterly
- Farm Journal
- Forward
- Good Housekeeping
- Holiday
- House and Garden

Journal of the N.A.R.D. (The) (National
Association of Retail Druggists)
Junior Scholastic
Ladies Home Journal

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Open Road for Boys
Parents Magazine
Playthings
Playthings Directory (The)
Poultry Farmer (The)
Practical English
PREP
St. Nicholas Magazine
Scientific American
Senior Scholastic
Sporting Goods Journal
Stamp Trade News
Saturday Evening Post
Woman's Home Companion
World Week
Young American
Youth's Companion

4:10 Throughout the years of their business, Plaintiff and its predecessors have sold their game boards using the word "carrom," which game boards are capable of having played thereon a multiplicity of different games.

4:11 Millions of such game boards have been sold throughout the United States by Plaintiff and its predecessors.

5. Previous Litigation Between Plaintiff and Merdel

5:1 Plaintiff's predecessor, Shampaine Industries, Inc. brought a lawsuit against Defendant Merdel and its three officers mentioned above on December 21, 1961 in the United States District Court for the Western District of Michigan, Southern Division, in the case of Shampaine Industries, Inc. v. Merdel Game Manufacturing Co., William J. Mueckler, Robert L. Erickson and Albert Del Zoppo, Civil Action No. 4237.

5:2 The original complaint filed in that lawsuit alleged that the defendants misappropriated trade secrets of Plaintiff, failed to disclose inventions made by them to Plaintiff, breached fiduciary duties owed to Plaintiff, and engaged in a

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conspiracy to do so. As initially filed, the lawsuit did not involve any trademark issues.

5:3 On January 14, 1966, a second amended complaint was entered in the lawsuit which alleged infringement of Plaintiff's trademarks CARROM and CARROMS by Merdel's use of the word "Carom," and infringement was denied by the defendants in that suit.

5:4 No discovery was taken in the lawsuit after entry of the second amended complaint, and no supplemental complaint was ever filed in the lawsuit.

5:5 Trial commenced on February 28, 1967. Following two days of trial and parties negotiated an agreement dated March 2, 1967, but not executed until

several days thereafter. The terms of the agreement which reads as follows, was not disclosed to or filed with the court at any time associated with entry of dismissal:

"The parties hereto, by their respective attorneys, hereby stipulate and agree as follows:

1. The defendants stipulate that plaintiff's trademark registration No. 49,996 is valid and agree not to use the words CARROM or CARROMS as a trademark. If the word CARROM or CARROMS ceases to be a trademark, there shall be no restriction on the defendants' use thereof.

2. The plaintiff stipulates that it will not object to the use of the word CAROM or CAROMS by defendants where such use is no more prominent than the use on the date of this stipulation. The defendants agree that they will not expand such use for the period of three years from this date. The defendants agree as part of the foregoing that they will not use the word CAROM or CAROMS during such three-year period to describe their gameboard. At the termination of such three-year period there shall be no restriction on the use of the words CAROM or CAROMS by the defendants.

3. Plaintiff stipulates that the United States Patent No. 3,008,740 granted to Robert L. Erickson on May 7, 1963, is valid and that said Robert L. Erickson was the first inventor thereof.

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4. The parties stipulate that none of the parties shall be entitled to recover any damages for any acts relating to any matters in controversy at any time in this proceeding.

5. The parties stipulate that an order may be entered by the Court reading as follows: 'IT IS HEREBY ORDERED, that the complaint and counterclaim be, and they are hereby, dismissed with prejudice and without costs to either party.'"

5:6 The suit was concluded by the following order dated March 2, 1967:

"All matters in controversy having been adjusted and settled by the parties hereto, it is hereby ordered:

That the Complaint and Counterclaim be, and they are hereby, dismissed with prejudice and without costs to either party."

The Court entered no written findings of fact or conclusions of law.

5:7 Pursuant to the present court's direction plaintiff filed a motion dated April 16, 1971 to set aside the order of March 2, 1967, which motion was denied by opinion dated October 22, 1971 and amended by order dated November 17, 1971.

6. Analysis of Merdel's Invoices

6:1 Without stipulating as to admissibility: During the year 1965, 1131 invoices of a total of 1314 invoices issued with respect to the Merdel game board used the word "carom" in reference to the game board in the invoice column entitled "description."

6:2 Without stipulating as to admissibility: During

the year 1966, 1018 invoices of a total of 1061 invoices issued with respect to the Merdel game board used the word "carom" in reference to the game board in the invoice column entitled "description."

6:3 Without stipulating as to admissibility: During the

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month of January 1967, 32 invoices of a total of 43 invoices issued with respect to the Merdel game board and related equipment used the word "carom" in reference to the game board; during the month of February 1967, 6 invoices of a total of 35 invoices issued with respect to the Merdel game board and related equipment used the word "carom" in reference to the game board; and these six invoices were issued on the following dates:

Feb. 1	Feb. 3	Feb. 7
Feb. 2	Feb. 6	Feb. 24

6:4 From March 2, 1967 to December 31, 1967, 990 invoices of a total of 1248 invoices issued with respect to Merdel game boards used the word "carom" in reference to the game board in the invoice column entitled "description."

6:5 During the year 1968, 1235 invoices of a total of 1296 invoices issued with respect to Merdel game boards boards used the word "carom" in reference to the game board in the invoice column entitled "description."

6:6 During the year 1969, 1200 Merdel invoices of a total of 1264 invoices issued with respect to Merdel game boards used the word "carom" in reference to the game board in the invoice column entitled "description."

7. Exhibit Stipulation

7:1 As to all documents specifically enumerated in a list of exhibits delivered to the opposing party's counsel and of which legible, true, photo-accurate copies are available to the opposing counsel on or before seven (7) days before trial, either by delivery of a copy to opposing counsel, by the document originating from the files of the opposing party or by the document being

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a discovery exhibit:

- (a) any carbon, Xerox, or photocopy of any such document may be received in evidence as though it were the original without proof of nonavailability of the original;
- (b) each such document is stipulated to be an accurate copy and to be authentically what it purports on its face to be, and to have been issued or published on the date appearing thereon, subject to correction if error is shown;
- (c) each such document purporting on its face to have been sent by one person and received

by another, is presumed to have been sent and received on or about the dates appearing thereon, subject to correction if error is shown.

7:2 A list of deposition answers and questions to be introduced at trial shall be served on opposing counsel by seven (7) days before trial. Any permissible objections thereto shall be made at the time such evidence is offered at trial.

Date: April 3, 1972

(Signed)

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Bill Durkee

Paul VanSlyke

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(Signed)

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Counsel for Defendants

DEFENDANT'S TRIAL BRIEF

(Caption Omitted)

(Filed April 30, 1973)

STATEMENT OF FACTS

1. Plaintiff is the successor in interest to a line of business, which, for purposes of this action, deals with the manufacture and sale of games, specifically wood games.

2. Defendant Merdel Game Manufacturing Company (Merdel) was formed in May 1961 by three former employees of plaintiff's immediate predecessor in this line of business, Shampaine Industries.

3. Defendant Bernard Cahn was a salesman of plaintiff and its predecessors in this line of business for 26 years and is now employed by defendant Wm. Richman Associates, Ltd. (Richman) as a commission salesman. Richman is Merdel's manufacturer's representative in the New York City area.

4. Suit was commenced against Merdel and its three principals on December 21, 1961 by plaintiff's predecessor, Champaine Industries for misappropriation of trade secrets, breach of fiduciary duties and unfair competition.

5. As initially filed, the lawsuit did not involve any trademark issues.

6. On January 14, 1966, a second amended complaint was filed by plaintiff, alleging infringement of its trademarks Carrom and Carroms by Merdel's use of the term "Carom."

7. During the year 1966 plaintiff amended its trademark registration from "Carroms" to "Carrom."

8. No discovery was taken by plaintiff subsequent to filing of its second amended complaint.

9. Trial to the court in that action commenced February 28, 1967, and continued through March 1, 1967. After conclusion of proofs on the second day, settlement was reached pursuant to the terms of a stipulation which reads as follows:

"The parties hereto, by their respective attorneys, hereby stipulate and agree as follows:

1. The defendants stipulate that plaintiff's trademark registration No. 49,996 is valid and agree not to use the words CARROM or CARROMS as a trademark. If the word CARROM or CARROMS ceases to be a trademark, there shall be no restriction on the defendants' use thereof.

2. The plaintiff stipulates that it will not object to the use of the word CAROM or CAROMS by defendants where such use is no more prominent than the use on the date of this stipulation. The defendants agree that they will not expand such use for the period of three years from this date. The defendants agree as part of the fore-

going that they will not use the word CAROM or CAROMS during such three-year period to describe their gameboard. At the termination of such three-year period there shall be no restriction on the use of the words CAROM or CAROMS by the defendants.

3. Plaintiff stipulates that the United States Patent No. 3,008,740 granted to Robert L. Erickson on May 7, 1963, is valid and that said Robert L. Erickson was the first inventor thereof.

4. The parties stipulate that none of the parties shall be entitled to recover any damages for any acts relating to any matters in controversy at any time in this proceeding.

5. The parties stipulate that an order may be entered by the Court reading as follows: 'IT IS HEREBY ORDERED, that the complaint and counterclaim

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be, and they are hereby, dismissed with prejudice and without costs to either party'."

10. The settlement was prompted by the fact that the trial judge advised that the plaintiff's case for protection of its trademark appeared weak and that he used that trademark personally to indicate the name of a product rather than as an indication of source of origin (Affidavit of John Pope III, para. 20 and 21, confirmed in Pope deposition, p. 5).

11. On March 12, 1969, plaintiff brought the instant suit against Merdel, Cahn and Richman alleging breach of the stipulation by Merdel, seeking its

rescission, and also alleging infringement of plaintiff's trademark KIK-IT by Merdel's KICK'ER, copyright infringement of its rule book by Merdel's rule book and unfair competition by Cahn and/or Cahn, Richman and Merdel in conspiracy.

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ISSUES

I

CAN THE STIPULATION OF MARCH 2, 1967 BE RESCINDED AND, IF NOT, DOES IT BAR A SUIT FOR TRADEMARK INFRINGEMENT, LEAVING PLAINTIFF TO ITS CONTRACT REMEDY FOR ACTUAL INJURY SUFFERED BY REASON OF THE ALLEGED BREACHES OF THE STIPULATION?

II

IF THE STIPULATION IS RESCINDED, IS PLAINTIFF'S TRADEMARK CARROM INVALID AS BEING THE NAME OF A GAME RATHER THAN AN IDENTIFICATION OF SOURCE OF ORIGIN?

III

IS PLAINTIFF'S TRADEMARK KIK-IT INFRINGED BY MERDEL'S USE OF KICK'ER ON A GAME SIMULATING SOCCER AND OTHER "KICKING" GAMES, IN WHICH THE VERB "KICK" IS DESCRIPTIVE OF THE TYPE OF ACTION INVOLVED IN THE GAME?

IV

DOES THE MERDEL RULE BOOK INFRINGE THE
COPYRIGHT OF PLAINTIFF'S RULE BOOK?

V

DOES THE USE OF A CUSTOMER LIST BY A
FORMER EMPLOYEE CONSTITUTE UNFAIR COM-
PETITION WHERE THE LIST REPRESENTS TRADE
ACCOUNTS IN AN OPEN, COMPETITIVE MARKET?

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I

THE STIPULATION OF MARCH 2, 1967, BY ITS
TERMS, BARS A SUIT FOR INFRINGEMENT OF
PLAINTIFF'S TRADEMARK "CARROM" AND THE
FACTS ARE INSUFFICIENT TO WARRANT RE-
SCISSION OF THAT STIPULATION ON GROUNDS
OF MATERIAL BREACH, MISTAKE OR MISREPRE-
SENTATION.

The defendants' position on this issue can be sum-
marized as follows:

1. The stipulation is an entire and indivisible agreement.
2. By its terms it governs Merdel's use of "carom" or "caroms", providing restrictions for a three year period with no restrictions at the expiration of that period, leaving plaintiff with a contract remedy for any alleged breaches.

3. Assuming that Merdel's activities have constituted a breach there is no basis for rescission because:

- (a) the claimed breaches would not be material
- (b) the parties cannot be placed in *status quo*.

4. There is no basis for rescission on grounds of mistake or misrepresentation, since the inducement to enter the stipulation was not the claimed mistake or misrepresentation, but the threat that the trial judge in Michigan would rule unfavorably on the validity of plaintiff's trademark.

A. *The Stipulation is an entire and indivisible instrument.*

The intention of the parties, as gathered from the circumstances of the case and the subject matter of the contract, controls in determining whether a contract is entire or divisible. *City of Lansing v. Twp. of Lansing*, 356 Mich. 641, 656-7; 97 N.W.2d 804 (1959). Furthermore, a contract is entire, when by its terms, nature and purpose it contemplates and intends that each and all of its parts and consideration are to be common and interdependents *Id.*

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The proofs will make clear that the intention of the parties was to conclude the litigation between them and that all of the provisions of the stipulation were to serve that common purpose.

- B. *If there was a breach of the stipulation as alleged by plaintiff, the normal contract remedies should be applied.*

It is defendants' position, as set forth in the pending motion for summary judgment, that the stipulation in and of itself constitutes a waiver of trademark protection for plaintiff's trademark "Carrom" insofar as use of the word "carom" is concerned. Be that as it may, any claimed breach of the stipulation is fully answerable in damages, if plaintiff can prove damages. The purpose of the stipulation was obviously to settle the differences which had arisen in the Michigan litigation, including plaintiff's claim of trademark infringement. If the agreement has been breached, it seems redundant to reopen the questions which the stipulation attempted to resolve. In short, plaintiff, by entering the stipulation and agreeing that after three years there would be no restrictions on Merdel's use of "carom" or "caroms", resigned itself to a contract remedy for breach of the stipulation and is not now free to reopen questions of trademark infringement, absent rescission of the stipulation.

- C. *If there was a breach of the stipulation, by Merdel, it was partial, not total, and not "material" so as to justify rescission.*

To obtain rescission, a party must show "material" breach; *Walker & Company v. Harrison*, 347 Mich. 630, 81 N.W.2d 352 (1957). The criteria for material breach, as stated in Section 275 of the Restatement of Contracts (adopted in *Walker & Company v. Harrison*, supra) are:

(a) The extent to which the injured party will obtain the substantial benefit which he could have reasonably anticipated;

(b) The extent to which the injured party may be adequately compensated in damages for lack of complete performance;

(c) The extent to which the party failing to perform has already partly performed or made preparations for performance;

(d) The greater or less hardship on the party failing to perform in terminating the contract;

(e) The willful, negligent or innocent behavior of the party failing to perform;

(f) The greater or less uncertainty that the party failing to perform will perform the remainder of the contract.

These criteria will be considered *seriatim* in the factual setting of this case:

(a) It should be borne in mind that the stipulation did not merely govern Merdel's use of "carom"—it recognized the validity of plaintiff's trademarks, (which were obviously in jeopardy) and provided for dismissal with prejudice of the counterclaim in that suit which sought damages and injunctive relief. The validity of the trademarks was "critical" (Pope affidavit, para. 24).

Plaintiff claims that the benefits it sought from paragraph 2 of the stipulation were three

in number: to permit it to promote its trademark "Carrom" for a game board; to prevent other manufacturers from noting Merdel's use of "carom" and be thereby enticed into doing the same; and to possibly induce Merdel to adopt a trademark totally unrelated to "Carrom" (Pope affidavit, para. 26).

The proofs will show that plaintiff did promote its trademark (although it must be questioned how serious a consideration this was after sixty-five years of such promotion); that no other manufacturers were enticed into using "carom" in a way repugnant to the stipulation, and that Merdel would

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not have abandoned its rights in "carom" after such extensive litigation in view of the importance of the word to adequately describe one of Merdel's products and its ability to continue to use the word, during the three year period, as it had for the preceding six years.

Finally, as shown by para. 27 of the Pope affidavit, the principal concern of plaintiff was in obtaining freedom from confusingly similar *advertising* which might affect plaintiff's trademark. As indicated below the claimed breaches were not advertisements but were largely proprietary business documents. Furthermore, no proofs are contemplated which will show destruction of plaintiff's trademark.

(b) If plaintiff has been damaged by lack of complete performance, it should be able to show injury. The difficulty in making such a showing is apparent when one considers that all of the claimed breaches were directed toward the trade, rather than to the ultimate consumer, the public, and the great bulk of them were comprised of proprietary business documents. Plaintiff and Merdel compete in the area of wholesalers, dealers and jobbers and the proofs will show that they are well aware of the separate identities of the two companies. Because of inability to show actual damages, plaintiff is attempting to come under the penumbra of damage to good will to show inadequacy of money damages. The remarks of the court in *Chips'N Twigs, Inc. v. Prives*, 226 F. Supp. 529 (N.D. Cal. 1963) are germane, however, to this claim:

* * * The fact that a professional wholesale buyer, a person presumably familiar with the variously trade-marked products in the . . . field,

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would not be confused by defendants' retail use of the "Mr. Chips" name simply begs the question. It is the buying public which the trade-mark laws are designed to protect; . . . *Id* at 533.

Defendants believe that plaintiff will be unable to show confusion among the customers for which it and Merdel compete, namely the trade,

and therefore that there will be no demonstrable damages from the claimed breaches. If confusion among the trade can be shown, then damages, measured by lost or diverted sales, can be adequately made by a monetary award.

(c) Merdel has dismissed its counterclaim and has fully performed with respect to observance of the validity of plaintiff's trademarks. Merdel has not used the words "Carrom" or "Carroms."

(d) Consistent with its understanding of its rights under the stipulation, Merdel changed its carton, sales literature and stationery subsequent to March 2, 1970. Rescission of the contract would completely nullify this change of position and would also prejudice Merdel insofar as its rights in the prior suit are concerned. Rescission would allow plaintiff to reopen its claims of trademark infringement but Merdel's counterclaim is barred by the order of dismissal, which the Michigan court expressly refused to set aside after hearing on plaintiff's motion for that purpose, which motion was required by this court.

(e) The proofs will show that Merdel acted at all times in the belief that its activities were fully within its rights under the stipulation.

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(f) This criteria is rendered moot by the expiration of the three year period and Merdel's compliance with the stipulation in all other respects.

D. *The inability to place the parties in status quo militates against rescission.*

An essential element of contract rescission under Michigan law is restoration to the *status quo*; *Wall v. Zynda*, 283 Mich. 260, 278 N.W. 66 (1938); *Travelers Insurance Co. v. Carey*, 24 Mich. App. 207, 180 N.W. 2d 68 (1970). In this case, as indicated above, Merdel cannot be returned to the *status quo*, having irrevocably forsaken its counterclaim in the Michigan suit for the settlement. The very nature of the case precludes a return of the parties to their pre-stipulation positions and this provides a further reason for the denial of the relief requested.

E. *Rescission for mistake or misrepresentation is inappropriate where the facts in question do not go to the essential purpose of the agreement.*

Mistake and innocent misrepresentation are grounds for contract rescission in Michigan. *Alpert Industries v. Oakland Metal Co.*, 3 Mich. App. 101, 141 N.W.2d 671 (1966). Plaintiff will apparently claim that it was unaware of the full extent of Merdel's use of the word "carom" prior to the date of the stipulation and that its lack of knowledge was brought about by statements of Merdel's counsel in brief and opening statement.

Disregarding for present purposes the fact that plaintiff conducted no discovery in the Michigan suit as to the claimed infringing uses of "carom" by Merdel, it is obvious that plaintiff's lack of knowledge on that score did not induce it to enter into the

stipulation. Clearly that action resulted from the comments of the trial judge in the case and plaintiff's concern for its position

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should the case go to judgment.

Even had plaintiff known the facts it asserts ignorance of, the result would have been no different and indeed, the language of the stipulation would probably have been no different.

To avoid a contract a mistake must go to a material fact, one which "forms the very basis of the contract." It must be "the efficient cause of the agreement" and "such that it animated and controlled the conduct of the party." 54 Am. Jur., 2d Mistake, Accident or Surprise §5. The case of *Grymes v. Sanders*, 93 U.S. 55, 23 L.Ed. 798 quoted in *Williston on Contracts*, Third Edition §1544 states it as follows:

A mistake as to a matter of fact, to warrant relief in equity, must be material, and the fact must be such that it animated and controlled the conduct of the party. It must go to the essence of the object in view, and not be merely incidental. The court must be satisfied, that *but for the mistake the complainant would not have assumed the obligation from which he seeks to be relieved*. (Emphasis supplied.) *Id.* at 93 U.S. 60, 23 L.Ed. 801.

As the proofs will show, the reasons for entering into the stipulation, from plaintiff's standpoint, was plainly and simply concern over the possible ruling of the court on the validity of its trademark. There

was no mistake as to that fact. To seek to avoid the stipulation because of a claimed mistake as to existing incidental facts is legally insufficient, particularly when considered in light of the fact that plaintiff, at all times prior to trial, had the means fully within its control, by means of discovery procedures which it chose not to exercise, to discover what the claimed mistaken facts were. Plaintiff bargained for a dismissal of the Michigan suit, in essence, and it fully received this bargain.

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II

PLAINTIFF'S TRADEMARK "CARROM", AS APPLIED TO GAME BOARDS, IS GENERIC AND/OR DESCRIPTIVE, AND INVALID FOR FAILURE TO FULFILL A TRADEMARK FUNCTION.

A trademark is a word, name or symbol used by a manufacturer "to identify his goods and distinguish them from those manufactured or sold by others." Lanham Act—15 U.S.C. §1127. The primary function of a trademark is to identify the origin of the goods in question. E.g. *National Nu Grape Co. v. Guest*, 164 F.2d 874 (10th Cir. 1947); *Proxite Products, Inc. v. Bonnie Brite Products Corp.*, 206 F. Supp. 511 (S.D.N.Y. 1962).

The proofs will establish beyond dispute that carroms, or carrom, is the name of a game. The game board in question manufactured by both plaintiff and Merdel is one on which carrom, crokinole, checkers, backgammon and many other games may be played,

but one of the principal games, if not the principal game, is carrom. This is a game similar to pool, played on a board with pocket nets and raised sides.

Since plaintiff's trademark, as applied to game boards on which the game of carrom can be played, is also the name of the item itself, i.e. a carrom board, it is incapable of functioning as a trademark because it cannot distinguish the goods of plaintiff from those of Merdel insofar as the public is concerned. In re: *Cooper*, 254 F.2d 611 (C.C.P.A. 1958). This was highlighted in the former trial when Mr. Hermann, plaintiff's works manager, stated that if he, as a member of the public were to enter a store and ask for Merdel's game board, he would have to ask for a *carrom board*. The excerpt of Mr. Hermann's former testimony will be introduced as evidence.

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The proofs will further show that plaintiff originally referred to its boards as combination game boards but then, starting in the 1930's began to denominate it a Carrom Game Board, Carrom Board, and Carrom-Crokinole Game Board, all indicative of the featured game played on the board.

From the 1920's through 1970 plaintiff, in its catalogs and rule books repeatedly referenced the "carrom side" and the "crokinole side" to designate the two sides of its board. It is revealing that in 1970, after institution of this action plaintiff changed its rule book and catalog in significant manner, deleting all references to carrom as the name of a game or side of the board (substituting "checkerboard side"

for "carrom side") and clearly indicating that "Carrom" was plaintiff's trademark for its game playing equipment, not the game itself.

The reason for these changes is clear—"neither games nor books are registrable but only trademarks." In *re Cooper*, *supra* at 617. Since 1955 plaintiff has confined its advertising to trade journals, the only contact with the consuming public being through its carton and rule book, both of which have prominently featured generic and/or descriptive uses of "carrom."

A designation which is initially a trademark ceases to be such when it comes to be understood as a generic or descriptive designation for the goods in connection with which it is being used. *Donald F. Duncan, Inc. v. Royal Tops Mfg. Co.*, 343 F.2d 655, 662-665 (7th Cir. 1965); *Dixi-Cola Laboratories, Inc. v. Coca-Cola Co.*, 117 F.2d 352 (4th Cir. 1941). And if a trademark describes the qualities, ingredients or characteristics of the product to which it is attached, it is descriptive. *Flexitized, Inc. v. Flexitized Corporation*, 214 F. Supp. 664 *aff'd* 335 F.2d 774 (2d Cir. 1964).

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A descriptive mark is invalid because it does not advise the public of the source, or origin of the goods, and, if it did, since the word describes the goods, protection for the mark would encroach upon common speech, which should freely do the same. *National Nu Grape v. Guest*, *supra*; *Oakland Chemical Co. v. Bookman*, 22 F.2d 930 (2d Cir. 1927); *General Controls v. Hi-G, Inc.*, 212 F. Supp. 152 (D. Conn. 1962).

There is authority that a manufacturer may obtain some protection for a descriptive mark if he can establish secondary meaning, that is, that the primary significance of the term to the consuming public is not the product but the producer. But the burden of proof is on the party urging such a finding, and the burden is a heavy one. *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111, 59 S.Ct. 109, 83 L.Ed. 73 (1938); *American Aloe Corp. v. Aloe Creme Laboratories, Inc.*, 420 F.2d 1248 (7th Cir.) cert. den. 400 U.S. 820 (1970).

The facts will establish the generic and/or descriptive nature of plaintiff's trademark "Carrom" as exemplified by dictionary definitions of "caroms" as the name of a game. An analogy can be made to "checkers"—the board on which checkers is played is known as a checkerboard, the game on which caroms is played is a carom board. The phrase "game board", without more, is simply not an adequate designation for the product in question here—it represents a class of goods, or genus, but not a species. As another example, a certain consumer item is a soft drink (genus). A species of soft drink would be a cola drink and the trademark would be "Coke" or "Coca-Cola." Thus, here the genus is game board, the species is carom (or carrom) game board and the trademark would be Carrom (brand) carom board or Merdel carom board.

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Plaintiff should not be accorded trademark protection in a word so obviously descriptive.

III

PLAINTIFF'S TRADEMARK KIK-IT IS NOT ENTITLED TO PROTECTION AGAINST USE OF KICK'ER BY MERDEL WHERE THE WORDS ARE APPLIED TO GAMES WHICH HAVE, AS AN ESSENTIAL ELEMENT, A "KICKING" ACTION.

The game in question is a soccer type game. Proofs will show that plaintiff's trademark KIKIT was modified to KIK-IT *after* Merdel began marketing a similar game under the name Kick'er. Infringement was not raised in the prior suit, although Merdel had been marketing Kick'er for a number of years.

Proof will also show trademark registrations for a variety of similar games with names beginning with the basic word "kick." Merdel argues that plaintiff is simply not entitled to trademark protection for such a common and descriptive designation.

By analogy, in the case of *Winget Kickernick Co. v. LaMode Garment Co.*, 42 F.2d 513 (D.C.N.D. Ill. 1930) plaintiff's trademark "Kickernick", as applied to bloomers, childrens wearing apparel and other articles of personal attire, was denied protection against defendant's "Kickaway" as applied to ladies and childrens wearing apparel, bloomers, step-ins and the like. Noting the profusion of registrations involving the ordinary word "kick", and comparing numerous cases with trademarks coined from basic words, the court denied relief.

In *Kiki Undies Corp. v. Alexander's Department Store, Inc.*, 390 F.2d 604 (2d Cir. 1968) "Kicky" was held indicative of youthful, sporty, pert or sassy and not to infringe "Kiki" even though the latter was applied to undergarments and the former used on skirts.

In *Clark Equipment Co. v. Baker-Lull Corporation*, 288 F.2d 926 (C.C.P.A. 1961) registration was granted the trademark

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"Yardloader" against the opposition of the holder of "Yardlift", both marks to be applied to fork lift trucks. The court held that the similarity of appearance and suggestion arose from the purely descriptive aspects of both marks.

Similarly, in this case, any similarity arises because of the descriptive nature of the words used. See also *Insect-O-Lite Co. v. Hagemeyer*, 151 F. Supp. 829 (E.D. Ky. 1957) in which "Insect Light" held not to infringe "Insect-O-Lite."

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IV

UNDER ACCEPTED TESTS OF COPYRIGHT INFRINGEMENT, MERDEL CANNOT BE HELD TO HAVE INFRINGED PLAINTIFF'S COPYRIGHTED RULE BOOK.

Initially, it should be noted that Merdel has not changed its rule book since it started business in

1961. No claim of copyright infringement was pursued in the Michigan action and it would appear that the copyright statute of limitations, 17 U.S.C. §115, would apply to all claims arising prior to March 1966, and that the defense of laches may well be available. *Haas v. Leo Feist, Inc.*, 334 F. 105, 108 (S.D.N.Y. 1916) Cf. *Nolan v. Williamson Music, Inc.*, 300 F. Supp. 1311, 1320 (S.D.N.Y. 1969).

On the merits of plaintiff's claim, the essence of copyright protection is the protection of originality rather than novelty or invention. Originality means little more than a prohibition of actual copying. *Gelles-Widmer Co. v. Milton Bradley Co.*, 313 F.2d 143 (7th Cir. 1963). In this context, it must be noted that a copyright necessarily involves two elements:

- (1) The subject matter of the copyrighted work;
and
- (2) The manner in which the author treats the subject matter.

With reference to that dichotomy, the Supreme Court in *Mazer v. Stein*, 347 U.S. 201, 217, 74 S.Ct. 469 (1954), stated:

Unlike a patent, a copyright gives no exclusive right to the art disclosed; protection is given only to the expression of the idea—not the idea itself.

In the treatise *Nimmer on Copyright* at §37.83, (1971), page 161, the following statement is found:

The wording of instructions for the playing of a game is itself copyrightable so as to prevent a literal or closely paraphrased copy.

The test applied by Nimmer in this situation is more restrictive than the test applied to other claims of copyright infringement. See *Ideal Toy Corp. v. Fab-Lu Ltd., Inc.*, 360 F.2d 1021 (2d Cir. 1966). Nimmer's test demands literal or closely paraphrased copy, not merely substantial similarity. His test is designed to meet the somewhat unusual circumstance which game instructions present to copyright law. In *Morrissey v. Proctor & Gamble Co.*, 379 F.2d 675 (1st Cir. 1967), the court was faced with a claim that the defendant infringed plaintiff's copyright in its instructions for a sweepstakes game utilizing social security numbers by conducting an identical game accompanied by very similarly worded instructions. The court held on pp. 678, 679:

When the copyrightable subject matter is very narrow, so that the 'topic necessarily requires' (citations omitted) if not only one form of expression, at best only a limited number, to permit copyrighting would mean that a party or parties, by copyrighting a mere handful of forms, could exhaust all possibilities of future use of the substance. In such circumstances it does not seem accurate to say that any particular form of expression comes from the subject matter. However, it is necessary to say that the subject matter would be appropriated by permitting the copyrighting of its expression. We cannot recog-

nize copyright as a game of chess in which the public can be checkmated.

The Morrissey case was interpreted in *Time Inc. v. Bernard Geis Associates*, 293 F. Supp. 130, 143 (S.D. N.Y. 1968), as follows:

The Morrissey case involved the rule of a sales promotion contest. The substance of the contest itself was not found to be copyrightable. It was also found that there was a very limited number of ways in which the rules could be expressed. If the rules were made the subject of copyright, then the uncopyrighted substance of the contest would be appropriated by the owner of the rules copyright.

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The Court declined to extend copyright protection to the rules. It goes without saying that there exists but a limited number of ways in which the game of Carroms or Ring Caroms could be described. Moreover, because of the similarity in the games themselves instructions as to the playing of the games must of necessity and not because of copying include similar phrases and expressions.

The plaintiff in the present case also maintains that Merdel has copied its illustrations. The court in *E. H. Tate Company v. Jiffy Enterprises*, 16 FRD 571, 573 (E.D. Pa. 1954) faced a similar allegation. In that case the plaintiff alleged the defendant copied three (3) small sketches each about half the size of one fingernail describing the function and use

of a particular article. The court gave this allegation summary treatment:

The plaintiff's sketches are not even copies of the defendants. If the plaintiff has the right to sell and advertise its hanger, it certainly has the right to supply purchasers and prospective purchasers with sketches for its use. If the plaintiff has the right to use a sketch, I do not see how it could very well do so without showing some sort of similarity to that of the defendant.

The Jiffy Enterprise's court's disposition of such an allegation is particularly apposite to the allegation made in the present case. In the present case the illustrations are not copies. Given Merdel's right to sell carom boards, an illustration describing the proper use of the board must necessarily be similar to Carrom's illustrations.

Under the decided cases then, it cannot be stated that Merdel's rule book constitutes infringement of plaintiff's rule book.

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V

THE USE BY BERNARD CAHN AFTER HIS DISCHARGE BY PLAINTIFF, OF CUSTOMER LISTS DEVELOPED BY HIS OWN EFFORTS DURING TWENTY-SIX YEARS OF EMPLOYMENT WITH PLAINTIFF DOES NOT CONSTITUTE UNFAIR COMPETITION WHEN THE CUSTOMERS ARE INVOLVED IN AN OPEN, COMPETITIVE MARKET.

The facts will show that defendant Cahn, during his twenty-six years of employment with plaintiff and its predecessor virtually single-handedly developed his territory. The customer lists were compiled from his personal calls and from perusal of directories of toy and game buyers available generally to the trade.

Defendants believe that the facts of the case will come squarely within the holding of *Fleisig v. Kossoff*, 85 N.Y.S. 2d 449 aff'd without op. 275 App. Div. 804, 89 N.Y.S. 2d 527, aff'd without op. 275 App. Div. 909, 90 N.Y.S. 2d 273 (1949), that use of customer lists by a former employee is permissible if such customers publicly display the character of their businesses and passersby or those consulting classified business directories could readily identify them as likely to be in the market. A case exactly on point, although from another jurisdiction, is *Continental Car-Na-Var Corp. v. Mosely*, 24 Cal. 2d 104, 148 P.2d 9 (S.Ct. 1944).

It is clear that the law only prevents the appropriation of trade secrets, not trade skill and Cahn is free to use whatever experience, competency or efficiency he may have gained during his prior employment. *Gulf Oil Co. v. Rapp*, 33 Misc. 2d 1011, 226 N.Y.S. 2d 562 (1962).

Defendants believe the facts will show that neither Cahn nor any of the other defendants has been guilty of acts constituting unfair competition.

CONCLUSION

The claims for relief asserted by plaintiff should be denied and defendants should recover costs and attorney fees.

Dated: May 23, 1972.

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PLAINTIFF'S BRIEF IN RESPONSE TO
DEFENDANT'S TRIAL BRIEF

(Caption Omitted)

(Filed April 30, 1973)

Defendants' Trial Brief was filed with the Court a week or so prior to trial without service being made on Plaintiff. Plaintiff was surprised at trial when the Court mentioned Defendants' Trial Brief (see Trial Transcript, pages 8-9). And its subsequent study proved even more surprising, as the Trial Brief contains errors in law as well as misleading and false statements of fact. Based on some statements by the Court at trial which appear to have been taken from positions in the Trial Brief, Plaintiff feels compelled to respond to minimize any prejudice to Plaintiff which could possibly result.

Rule 5, F.R.C.P., requires service of all papers on opposing counsel. "As finally adopted the rule requires service of papers, and thus assures that each party will

have his own copy of all papers affecting him . . ."
1 Barron & Holtzoff, *Federal Practice and Procedure*, §201, p. 758 (1960). The American Bar Association's Code of Professional Responsibility reaffirms the long standing rule that a lawyer shall not communicate in writing to a court without promptly serving the paper

on opposing counsel (Ethical Consideration 7-35 and Disciplinary Rule 7-110 (B) (2)).

But the Trial Brief was not served, and more importantly the Trial Brief contains matter which Plaintiff considers downright objectionable as being false and misleading, particularly in regard to Issues II through IV on pages 12-20.

For example, on page 12 Defendants allege an alternative premise that "The proofs will establish beyond dispute that carroms, or carrom, is the name of a game." "Carroms" is the name of a game playable on Plaintiff's gameboard, but Defendants then smoothly follow with arguments involving the incorrect assumption that "carrom" (as distinguished from "carroms") is the name of a game. At trial, of course, Defendant Merdel's President and Vice-President both testified that "carrom" is not the name of a game. (Erickson, Trial Transcript, page 218; Del Zoppo, Trial Transcript, page 258). Thus, while the correctness of one alternative in the premise is correct, and therefore the premise is as an alternative technically correct, Defendants' arguments based on the false portion of the premise are totally misleading.

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More importantly, however, Defendants failed to cite to the court, law in this jurisdiction directly opposite to the position set forth. This failure, coupled with failure of service which avoided a reply by Plaintiff, is inexcusable.

The controlling law of course is *Ludington Novelty Co. v. Leonard*, 127 F. 155 (3rd Cir. 1903) *aff'g* 119 F. 937 (S.D.N.Y. 1902), wherein the Court refuted arguments that "carrom" or "carroms" was descriptive of a gameboard or a game played thereon. As stated by the lower court at 119 F. 937, 941:

Upon consideration of the whole evidence, it seems reasonably clear that this word [carroms] is not so descriptive of complainant's game-board that it could not fairly be adopted as a trademark. If the complainant or its assignors had not brought the word into general use as applicable to the style of game-board and games in question here, it is not probable that it would have been generally so used or understood, or that defendants would have made use of it in the way they have.

A trademark, of course, may consist of a name of a game if the name was adopted by a manufacturer to distinguish his goods from those manufactured by others. *Selchow v. Baker*, 93 N.Y. 59 (1883). In that case, "Sliced Animals" was both the name of the game and the trademark in question.

As further example, Defendants state to the Court on page 13 of the Trial Brief:

Since 1955 plaintiff has confined its advertising to trade journals, the only contact with the consuming public being through its carton and rule book, both of which have prominently featured generic and/or descriptive uses of "carrom".

At the time of this statement, Defendants had already stipulated that Plaintiff had engaged in, for example, an exhibit at the House of Good Taste at the New York World's Fair in 1964-65, an ad in *Boy's Life* in 1962, and an ad in *Living Trails For Girls* in 1961 (Pretrial Stipulation, paragraph 4:8). This advertising is obviously directed to the consuming public and is directly contrary to the statement in the Trial Brief. As to the alleged "generic and/or descriptive uses of 'carrom'" on Plaintiff's gameboard carton, Plaintiff submits that a cursory examination of Plaintiff's Exhibit 2-B removes such an allegation from argument and renders it misleadingly false.

On page 16 of Defendants' Trial Brief, Defendants state:

Proofs will show that plaintiff's trade-mark KIKIT was modified to KIK-IT *after* Merdel began marketing a similar game under the name Kick'er.

This statement is misleading and false, for Plaintiff's trademark registration of KIK-IT shows a filing date of October 2, 1963 and a first use date of January 29, 1963 (Plaintiff's Exhibit 67), and Defendant Merdel adopted Kick'er in early 1964 (Erickson, Trial Transcript page 211; Erickson deposition, pages 18-19). There is simply no justification for such a patently false statement.

On pages 18, 19, and 20 of Defendants' Trial Brief, Defendants attack the validity of Plaintiff's copyright

on its rule book (Plaintiff's Exhibit 100). This attack comes as a total shock to Plaintiff, for Defendant Merdel's President William J. Mueckler was the author of Plaintiff's rule book, and Defendants had stipulated to the validity of the copyright (Pretrial Stipulation, paragraphs 3:4, 3:5, 3:6 and 3:7). In view of such facts, a sudden argumentative

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attack on validity in an unserved brief, involving a position contrary to a pretrial stipulation, is incredible.

In addition, *Morrissey v. Proctor & Gamble Co.*, 379 F.2d 675 (1st Cir. 1967), cited by Defendants on page 19 as supporting its newly presented and changed position is not applicable here. The *Morrissey* case involved instructions in a sales promotion contest. The instructions were quoted by the court at page 678 as follows:

"1. Entrants should print name, address and social security number on a boxtop, or a plain paper. Entries must be accompanied by * * * boxtop or by plain paper on which the name * * * is copied from any source. Official rules are explained on * * * packages or leaflets obtained from dealer. If you do not have a social security number you may use the name and number of any member of your immediate family living with you. Only the person named on the entry will be deemed an entrant and may qualify for prize.

"Use the correct social security number belonging to the person named on entry * * * wrong number will be disqualified."

The court then concluded at page 678 "to permit copyrighting would mean that a party or parties, by copyrighting a mere handful of forms, could exhaust all possibilities of future use of the substance." The court's conclusion is in error, of course, for copyright is only a right against copying from the copyrighted work itself; it by definition does not and cannot exhaust all possibilities of future use of the substance by other uncopied works incorporating the substance. The *Morrissey* court seems to have applied some mistaken concept of copyright monopoly whether or not copying occurs, and this is not and never has been the law of copyright.

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This defect in the *Morrissey* case is pointed out by Judge Wyatt in *Time, Inc. v. Bernard Geis Associates*, 293 F. Supp. 130, 143 (S.D.N.Y. 1968):

It is said for defendants that aside from all else the Zapruder pictures could not be copyrighted because of the "doctrine" of a recent decision, *Morrissey v. Procter & Gamble Co.*, 379 F.2d 675 (1st Cir. 1967). This "doctrine" is here invoked to avoid an "oligopoly of the facts of the assassination of President Kennedy".

....

Such a decision can have no possible application here. Life claims no copyright in the events at Dallas. They can be freely set forth in speech, in books, in pictures, in music, and in every other form of expression. All that Life claims is a copyright in the particular form of expression of the Zapruder film. If this be "oligopoly", it is spe-

cifically conferred by the Copyright Act and for any relief address must be to the Congress and not to this Court.

A recent case in this jurisdiction *Consolidated Music Publishers, Inc. v. Harsen Publications, Inc.*, 339 F. Supp., 1161 (S.D. N.Y. 1972) discusses the law in the Second Circuit concerning the copyrightability of an instruction book. Plaintiff submits that this law is contrary to the *Morrissey* case.

In any event, the copyrightability of the six sentences in *Morrissey* is not applicable to the almost sixty pages of printed text and accompanying drawings found in the Carrom rule book (PX 100). *Morrissey* is based on the proposition that the six sentences of sales promotion instructions were so simple and straightforward that there was "if not only one form of expression, at best only a limited number" (p. 678).

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As a matter of logic and law, such a proposition does not apply to the almost sixty pages of printed text with accompanying drawings found in the Carrom rule book. As a matter of fact, the inapplicability of such a proposition is clearly demonstrated by Merdel's own action in getting a copyright on its infringing rule book (PX 101) and by the testimony at trial of Defendant Merdel's president and preparer of its rule book, Albert Del Zoppo (Trial Transcript, pages 317-318; 324-325). The essence of Mr. Del Zoppo's testimony in this respect is that the manner of expression of rules for many games in the Carrom

rule book was considered less than desirable by him and Mr. Del Zoppo stated his opinion that he substantially changed this manner of expression, particularly referring to the manner in which the Carrom game rule book presentation was organized. Thus Mr. Del Zoppo himself points up the inapplicability of any so called *Morrissey* "doctrine" even if it were the law in the Second Circuit.

* * *

Plaintiff therefore feels compelled to present this brief pointing out the clear errors in both fact and law found in Defendants' Trial Brief.

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CERTIFICATE OF SERVICE (Omitted)

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OPINION

(Caption Omitted)

(Filed April 30, 1973)

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TYLER, D.J.

In this civil action, plaintiff ("Affiliated") claims breach of a prior compromise and settlement dated March 2, 1967 between it and defendant Merdel Game Manufacturing Company ("Merdel"). Additionally, plaintiff seeks relief for alleged copyright infringement, trademark infringement and unfair competition.

Plaintiff is a Delaware corporation with its principal place of business in St. Louis, Missouri. Affiliated owns and operates the Carrom Division, which is engaged in the manufacturing of game products and institutional furniture. The Carrom Division is the successor, at least in the field of game products, to a line of business initially named the Ludington Novelty Co., which originated at the very end of the 19th century. Thereafter, beginning about 1900, plaintiff did business as a corporation or division with the name "Carrom" used as part of its corporate identity.

Merdel is a Michigan corporation with its principal place of business in Ludington, Michigan.

Merdel was organized in 1961 by a group which included three former employees of

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plaintiff. Today, William J. Mueckler is the recently retired president of Merdel, he worked for plaintiff for over twenty years. Robert L. Erickson, formerly the works manager of plaintiff, since 1961, has been vice president of and plant manager for Merdel. Albert J. Del Zoppo, who had worked for plaintiff almost sixteen years, is today the secretary-treasurer of Merdel. When it started business in 1961, Merdel almost immediately marketed a wooden game board on which many games can be played, and which is similar to and in direct competition with a wooden game board manufactured by Affiliated.

Affiliated and Merdel market toys and games manufactured by them through a system of manufacturers' representatives. They sell toys and games primarily to wholesalers, jobbers, mail order houses, catalog houses, department stores, schools, churches, and recreation centers. Defendant William Richman Associates, Ltd. ("Richman") is a New York firm with its principal place of business at 200 Fifth Avenue, New York City. Richman is a manufacturers' representative acting for Merdel, among others; Merdel's products are sold by Richman in the northeastern region, including the metropolitan New York area. Defendant Bernard Cahn is a resident of Bronx, New York and acts as a sales representative for Richman here in New York.

City.

Plaintiff specifically is the owner of United States Trademark Registration No. 49,996 for *Carrom* as applied to toys and games. This registration was originally obtained on February 27, 1906 for the mark *Carroms* or a stylized form thereof. On March 15, 1966, however, the registration was amended to *Carrom* in block letters. The latest renewal for the latter registration was February 27, 1967.

Plaintiff alleges, and this is not substantially disputed, that it has used the name *Carrom* since 1902 as a tradename and mark in connection with the sale and distribution of various game products. Indeed, as early as 1903, this court upheld plaintiff's claim to *Carrom* as its mark. See *Ludington Novelty Co. v. Leonard*, 127 F. 155 (2d Cir. 1903) affirming 119 F. 937 (S.D.N.Y. 1902). Among other things, plaintiff has used the mark in the distribution of a game board which it has manufactured for many years. On this game board can be played a variety of different games as described in an instruction booklet. In 1936, plaintiff or its predecessor also began to use the name *Carrom* in connection with the sale and distribution of institutional furniture—i.e. furniture for hotels and similar installations. Naturally, therefore, plaintiff contends that

it has acquired under the trademark *Carrom* a favorable reputation in the toy and game business in

particular, and to an extent also in the institutional furniture business.

Since it commenced business in 1961, Merdel has used the name *Carom* in the marketing of its game board and other toys. It is not surprising, then, to note that in 1963 plaintiff's immediate predecessor, Shampaine Industries, Inc., sued Merdel and three of its officers in the United States District Court for the Western District of Michigan (Civil Action No. 4237, Southern Division). According to the amended pleadings in that case, plaintiff contended that the defendants had misappropriated trade secrets, breached fiduciary duties owed to plaintiff and infringed plaintiff's trademark *Carrom* by use of the term *Carom*. Trial commenced in late February, 1967, but after two days of trial the parties negotiated an agreement dated March 2, 1967 which led to the settlement of that action. That agreement provides in relevant part:

"The parties hereto, by their respective attorneys, hereby stipulate and agree as follows:

1. The defendants stipulate that plaintiff's trademark registration No. 49,996 is valid and agree not to use the words *Carrom* or *Carroms* as a trademark. If the word *Carrom* or *Carroms* ceases to be a trademark, there shall be no

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restriction on the defendants' use thereof.

2. Plaintiff stipulates that it will not object to the use of the word *Carom* or *Caroms* by the defendant where such use is no more prominent

than the use on the date of this stipulation. The defendants agree that they will not expand such use for the period of three years from this date. The defendants agree as part of the foregoing that they will not use the word *Carom* or *Caroms* during such three-year period to describe their game board. At the termination of such three-year period there shall be no restriction on the use of the words *Carom* or *Caroms* by the defendants. . ."

After the present case was filed, plaintiff moved to set aside the stipulation and discontinuance of the Michigan action; that motion was denied by an order of this court, requiring the parties to make such a motion in the Michigan court. The parties then appeared and so moved before the United States District Court for the Western District of Michigan, which on November 15, 1971 denied the plaintiff's motion to set aside the 1967 stipulation and judgment.

I

ALLEGED BREACH OF CONTRACT AND RESCISSION

Plaintiff claims that Merdel violated the stipulation by using the word *Carom* or *Caroms* during the three year period beginning March 2, 1967, and seeks either rescission of the

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stipulation or damages for breach of its terms.¹ More

1. During the trial, it is true that plaintiff's counsel purported at

specifically, Affiliated claims that the evidence shows that Merdel used the name *Carom* on various letterheads, list price sheets, and a new game board carton which came out in the year 1969. For example, plaintiff points to Merdel's March, 1969 price sheet which, *inter alia*, describes the Merdel game board as the "100 Play Game Board (Carom-Crokinole)". Also in 1969, Merdel began using a slightly different design of carton for the same game board which contained on its two "ends", so as to be visible when the cartons are stacked in rows, the name "100 Play Game Board (Carom-Crokinole)". Similarly, there is evidence, which Merdel does not dispute, that Merdel used invoices in the years 1968 and 1969, among others, in which the word *Carom* was employed as part of the description of its game board. Finally, as Merdel also concedes, it provided specification forms and mats to catalog houses and toy distributors describing its board as a 100 Play Carom-Crokinole game board.

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Defendant's principal officers, Del Zoppo and Erickson, were very much involved in the negotiation of the March 2, 1967 settlement negotiation and resultant stipulation. Hence, as they have freely admitted throughout this litigation, they were substantially aware as laymen of the contents of the critical stipulation in issue.

As plaintiff's witnesses have stated (particularly

one stage to withdraw plaintiff's claim for rescission; however, his intentions in this respect were and are so uncertain to the writer that, in fairness, this claim ought to be considered on its merits.

John D. Pope III), the critical section of the relevant provisions of the March 2, 1967 stipulation is paragraph 2. To analyze this critical paragraph, one might reasonably set out the stipulation (paragraphs 1, 2 and 3) as follows:

1. First major premise: plaintiff will not object to the use of the word *Carom* or *Caroms* by Merdel where such use is no more prominent than as of the date of the stipulation.
2. Second major premise: Merdel agrees not to expand such use for a three year period.
3. Qualification: Merdel agrees "as part of the foregoing" not to use the word *Carom* or *Caroms* during such three year period to describe its game board.
4. Limitation of qualification: the qualification or restriction above shall apply only for three years following March 2, 1967.

It is at least clear from paragraph 2 that Merdel agreed not to use the word *Carom* or *Caroms* to describe their game board, where that description would be more prominent than

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at the date of the stipulation or prior thereto. Despite this unambiguous core, there is a peripheral ambiguity, which is extremely important in this controversy: since some continued usage by Merdel of the word *Carom* or *Caroms* is obviously contemplated, and since any usage of the word is in a sense a description, the problem is to determine just what

sort of description was intended to be prohibited. The intent of the parties in turn is related to the actual employment of the critical words by Merdel at the date of the stipulation.

With regard to the intent of the parties, the evidence before this court leads me to conclude that plaintiff was truly unaware of one of Merdel's principal usages of the two words as of the stipulation date. This usage was of the two words or one of them on the invoices sent out by Merdel to customers who had purchased Merdel's game board. Parenthetically, I recognize that Mr. Pope, trial counsel for plaintiff at the Western District of Michigan trial, has suggested that there may have been other usages by Merdel which were unknown to him or his client at that trial. To this extent, I cannot accept the testimony of Mr. Pope or other representatives of plaintiff, simply because Mr. Pope's testimony in other portions of his deposition and affidavit and certain record evidence

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before the Western District of Michigan court establish that plaintiff (and Pope) knew in general terms that Merdel had been using the offending word or words on their cartons to ship the game boards, in correspondence, and in catalogs describing the Merdel game board. Thus, I find that the only usage of any significance by Merdel unknown to plaintiff at the time the Michigan suit was discontinued with prejudice was use of the word *Carom* on Merdel's invoices. Moreover, I find and determine that with

one exception to be noted, Merdel's employment of the word on its invoices, its cartons, its catalogs and its rule book was not substantially more prominent or indeed different in the three year period following March 2, 1967.

With these findings in the background, it is necessary to turn again to construction of the stipulation and the question of whether or not these recited usages constitute the sort of "description" contemplated by the parties. It could be said that since plaintiff apparently was unaware of the invoice usage by Merdel, no real expectation or understanding by plaintiff and Merdel was ever formed on the subject. But a reasonable construction of paragraph 2, in order to render the various parts as harmonious and consistent as practicable, indicates that the major focus of the restriction

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or qualification was on promotional activities by Merdel. Indeed, this is the only sensible construction because it is in this area that the likelihood might arise of public confusion of origins. As previously noted, moreover, it is clear that the parties contemplated certain continued use of the offending word or words by Merdel during the three year period. And as the many depositions taken by plaintiff's counsel have confirmed, Mr. Del Zoppo and other representatives of Merdel, with reasonable consistency, told Merdel's sales representatives during the three year period not to use the word *Carom* in

describing the game board, but to continue to use the invoices as before.

Given the foregoing interpretation of the stipulation, it is my conclusion that there has been no substantial breach thereof. This court has already found that, notwithstanding the astonishing diligence of plaintiff's trial counsel in the examination of a host of witnesses across the breadth of the United States, and by the production of an extraordinary quantity of invoices, correspondence, cartons and other records, plaintiff has failed to prove—with one exception hereinafter noted—that there were any substantial changes or increased usages

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by Merdel of the word *Carom* or *Caroms* beyond what were already in vogue prior to March 2, 1967. Concededly, the voluminous exhibits in this case indicate that there were occasional aberrations or mistakes by persons writing letters either for Merdel or its representatives in the field or their secretaries using the word *Carom* spelled with either two "r's" or one "r" in correspondence. Further, there can be no doubt that Merdel continued to use the words in question on their invoices for the entire three year period. But with regard to the main promotional activities of Merdel, plaintiff has been unable to prove any deliberate or sustained use of the words in describing Merdel's game board.

Despite the previous finding that Affiliated and its Michigan trial counsel had more general knowledge on the subject than they have cared to admit,

fairness requires recognition that plaintiff perhaps was unaware of much of the detail of this other activity: the evidence shows that its representatives never took any discovery in the litigation in the Western District of Michigan court commenced in 1963. Thus, at the time in early March, 1967 when the case was settled before Judge Kent, plaintiff negotiated the stipulation or contract of discontinuance without detailed awareness of what usages

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of the word *Carom* Merdel had been making. As a result of this trial in New York and the heretofore noted extensive discovery of plaintiff's counsel, it seems apparent that Merdel had been doing the very kind of things prior to March 2, 1967 that plaintiff now accuses them of having commenced thereafter. Indeed, hindsight suggests that this was inevitably so because Merdel, since it opened its business in 1961, and others were familiar with a game known as *Carom* or *Ring Carom*, for which plaintiff cannot claim and does not claim copyright protection.²

The one exception to all of this is a new carton which Merdel designed and had manufactured for its use in shipping its game board in 1969 (EX 46A). Overall, this 1969 carton really is not much different from the previous cartons used by Merdel. Even plaintiff claims only one change—that of the green

2. As early as 1901, indeed, the Court of Appeals for the Seventh Circuit, in *Williams v. Mitchell*, 106 F. 168, at 171, ruled that the mark or name *Carrom* could not be rightfully applied by one of plaintiff's predecessors to the game or the name of the game itself.

and white configuration and wording on two of the carton "ends", which read as follows: "§100 '100 Play Game Board (Carom & Crokinole)' Merdel Game Mfg. Co." As far as

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the evidence reveals, this was the first carton used by Merdel which had this kind of a designation on two of the ends and which made a reference to *Carom*.³ It is important to note, however, that like the 1969 version, the earlier cartons of Merdel in the period 1963 to 1969 had written on the two main surfaces thereof the phrase, "Play Carom and Crokinole". Thus, the only addition comes from the lettering and configuration on the two ends.

I must confess that I find the practical or legal significance of this change to be most elusive. To begin with, there was no evidence in the case that anybody in the trade noticed this change to any extent or, if they did, that there was any confusion as to the source of boards. Second, I have a great deal of difficulty in imagining that anyone could notice the end lettering heretofore described when the boards were stacked at some place such as a toy fair, or in a distributors' warehouse, or perhaps in a major department store. This is so if only because when the cartons are stacked "in the vertical" so that the ends in question can show, one has to turn his head to virtually a 45° angle in order to read

3. The earlier cartons had lettering on two of the ends reading: "§100 '100 Play' Game Board. Merdel Game Mfg. Co."

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the lettering. Notwithstanding my skepticism that this breach caused theoretical or actual damage to Affiliated, I am nevertheless constrained to conclude that plaintiff is literally correct in this respect: this new language and configuration on the 1969 boards is an enhanced or expanded usage of the word *Carom* beyond that engaged in by Merdel prior to March 2, 1967. Thus, although plaintiff never offered the slightest suggestion, let alone convincing evidence, of any damages flowing from this breach, I conclude that plaintiff should be offered one more chance to offer evidence of damage in a manner to be indicated at the conclusion of this opinion.

Finally, aside from the fact that the name *Carom* is substantially descriptive of a familiar game in the trade, there is ample evidence in the record, most of which was produced by plaintiff, to show that jobbers, wholesalers, department stores, specialty stores, and large chain stores which were the principal buyers of the products of both plaintiff and Merdel were remarkably "unconfused" as to the identity and source of the parties' game boards. In part, this was because the practice in the industry has been for the class of buyers heretofore described to buy the game boards on the basis of catalogs or of samples of the boards themselves. Aside from

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Del Zoppo's instructions, Merdel's sales representatives never seemed to have stressed the use of the

word *Carom* for reasons of their own sales techniques. Parenthetically, it is interesting to note that, to the eye of a casual observer, there are marked distinctions between the plaintiff's board and that of Merdel. Perhaps not surprisingly, therefore, there is little or no evidence in the record of any harm to plaintiff's business respecting game boards during the three year period—or at any time from March 2, 1967 to date—because of confusion on the part of those persons and firms who buy plaintiff's and Merdel's game boards.

Given the above, I conclude that plaintiff has made out no basis whatever for its apparent claim of rescission, and only a limited claim for breach with respect to the legend on the carton ends.

The ambiguities latent in the language, particularly of paragraph 2 as heretofore indicated, and any possible ignorance of plaintiff as to the usage by Merdel of the word *Carom* on its invoices, cannot justify rescission of the stipulation. This conclusion is inescapable, it seems to me, because the "mistake", whatever it was, was not mutual, nor is there any proof of misrepresentation by defendant; moreover, this one

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portion of paragraph 2, standing alone, is not so crucial or material as to establish a failure of consideration.⁴

4. Plaintiff's argument that the stipulation was only an executory contract, because Merdel failed to curb its usage of the offending words, conveniently overlooks the fact that Merdel agreed to the

But all of this may obscure the real problem regarding rescission. Although the stipulation itself was and is a contract, the judgment entered by the Western District of Michigan court is of quite a different nature and under the law cannot be set aside, in whole or in part, because of failure of performance by one of the parties. See 1B *Moore's Federal Practice*, ¶0.409(5) (2d ed. 1965) and cases therein cited. As Merdel has argued in its briefs, a judgment of dismissal with prejudice, such as that entered by Judge Kent, is *res judicata* and constitutes a final determination of the trademark controversy on the merits. This means that plaintiff is barred from suing Merdel and the other defendants a second time on the same claims or causes of action which were essentially involved in the Michigan litigation. The fact that defendants

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might not have raised the affirmative defense of *res judicata* in their pleadings here is not dispositive, since the issue was raised orally a number of times, and both the parties and this court understood throughout the entire period prior to trial that the *res judicata* defense was a principal contention of Merdel in this case.

To conclude, plaintiff has failed to meet its burden of proof by a preponderance of the evidence that any

discontinuance of its counterclaims, with prejudice, and recognized the validity of plaintiff's marks. These were not merely token concessions, since the trial judge in the Western District of Michigan had made it abundantly clear that he thought plaintiff's marks weak and plaintiff's suit, therefore, potentially without merit.

Merdel usages of *Carom* or *Caroms* in the three year period following March 2, 1967 constituted expanded promotional uses, with the possible exception of the legend on the carton ends. Indeed, most of the depositions taken by plaintiff indicated that officers of Merdel, particularly Mr. Del Zoppo, with good faith tried to make clear to Merdel's sales representatives that they should not use the words *Carom* or *Caroms* in their sales promotional activities during the three year period. As heretofore found, plaintiff did not know of the usage of *Carom* by Merdel on the invoices; however, plaintiff's ignorance on this subject is insufficient to prove rescission or breach of contract, particularly in light of the admissions by plaintiff's principal negotiators of the stipulation that plaintiff never

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asked Merdel to make representations or specific disclosures of all usages prior to March 2, 1967. Accordingly, this court concludes that plaintiff's claims of breach of contract, with the one noted exception, and rescission must be dismissed as being without merit.

II

PLAINTIFF'S CLAIM OF INFRINGEMENT BY MERDEL OF ITS MARK "KIK-IT"

As stated, plaintiff's trademark *Kik-it* has been used in application to kicking or a soccer type game, of which there have been many types manufactured and sold within the United States and elsewhere in

the world at all times relevant to this law suit. Curiously, I note that the proofs established that plaintiff did not raise this infringement issue in the Western District of Michigan suit—even though Merdel had been marketing its soccer or kicking type game under its mark *Kick'er* for several years. Although this particular infringement claim, therefore, cannot be barred by *res judicata* principles, the simple facts just recited cause one to wonder just how serious this particular claim of plaintiff really is.

In the quantitative sense at least, the evidence offered by both sides on this issue was comparatively simple and brief.

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There is ample evidence that there are a large number of trademark registrations for a variety of kicking games, similar to those of both plaintiff and Merdel, with names derived from the basic word "kick". Moreover, the evidence, particularly that of plaintiff, fails to establish that any of the companies and firms which bought or were potential buyers of the products of plaintiff and Merdel were in the slightest way confused by the source or origin of their games. In other words, the jobbers, wholesalers, specialty stores, department stores and chain houses all were aware that plaintiff's soccer game was called *Kik-it* and Merdel's was called *Kick'er*. Inevitably, there was no proof that any firm or buyer in the trade or any consumer was led to believe that when it bought a Merdel *Kick'er*, he was receiving the soccer game manufactured by plaintiff. Similarly, there is no

proof that Merdel or any of its sales representatives unfairly used the Merdel mark or name so as to palm off Merdel products as those of the plaintiff.

Finally, aside from the profusion of names derived from the verb "kick", the obvious must be noted—Merdel's game, like a host of similar games made by other manufacturers here and abroad, is called by a name or mark which can be fairly said to be descriptive of and used in good faith to depict the

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nature of the game involved. Compare *Kiki Undies Corporation v. Alexander's Department Stores, Inc.*, 390 F.2d 604 (2d Cir. 1968), with *Feathercombs, Inc. v. Solo Products Corporation*, 306 F.2d 251, at 256 (2d Cir.) *cert. denied* 371 U.S. 910 (1962). It follows that the plaintiff's trademark infringement claim respecting *Kik-it* must be dismissed for failure of proof and lack of merit.

III

PLAINTIFF'S CLAIM OF COPYRIGHT INFRINGEMENT RESPECTING ITS RULE BOOK

Going back to the first part of this century, plaintiff began selling its game boards with books of rules to describe the games which are possible to play on the boards. Since Merdel started business as a competitor of Affiliated in 1961, it has had a similar rule book, prepared by Mr. Del Zoppo with the aid of a professional artist, and used continuously to date without change.

Specifically in issue is the similarity between plaintiff's No. 85 Rule Book (PX 100), which is the subject of a valid 1945 trademark, and Merdel's rule book, validly copyrighted in 1961 (PX 101 and 101-A). In this regard, plaintiff relies upon a meticulously prepared compendium of comparisons of the

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text and pictures of its own and Merdel's rule book (PX 103), offered through witness Annabelle Davis, a para-professional in the office of plaintiff's Texas attorneys. According to Miss Davis and her compendium, the competing rule books are replete with words and phrases, together with similar drawings, which establish remarkable similarities in the rules and the descriptions of the games to be played. In addition, plaintiff points to the trial testimony of Mr. Del Zoppo, who admittedly had access to No. 85 Rule Book or one virtually identical thereto when he sat down to prepare Merdel's rule book in 1961. From such evidence, plaintiff would have this court find that Merdel unfairly appropriated the labor of the original compilers of plaintiff's rule book and thus should be held liable for infringement. See *West Publishing Company v. Lawyers Cooperative Publishing Company*, 79 F. 756, at 762 (2d Cir. 1897); *Orgel v. Clark Boardman Co.*, 301 F.2d 119 (2d Cir. 1962).

Theoretically, this is a close issue if only because of admitted access by Del Zoppo and the almost inevitable similarity of certain words and phrases in parts of the rule books, apparent to the reader with

or without the help of Miss Davis' compendium. Nevertheless, closer analysis of the evidence suggests that plaintiff may well not have met its burden of proof here. In addition to admitting access to plaintiff's

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rule book No. 85, Del Zoppo (who, in my view, was consistently frank in his testimony even where it must have been obvious to him or any other intelligent observer that he might not be helping Merdel's case), testified that he used plaintiff's No. 85 for the purpose of seeing what competitors were doing with the expectation and objective of making marked changes in substance and style in Merdel's rule book. My own comparison of the two books in question persuades me that Del Zoppo did make such an effort. Even where the games described by Del Zoppo were so simple as to make it virtually impossible to change the language of the instructions effectively, he did come up with changes in the rules as compared with plaintiff's version.

Moreover, the drawings or pictures in the two books are by no means as similar as plaintiff's exhibits would suggest. Indeed, as Del Zoppo testified, the artist who did the drawings obviously was working with models of Merdel's board. Since even plaintiff recognizes that it has no copyright to the games in question, it is also difficult to understand how some of the pictures which are reasonably similar could have been otherwise. Finally, although not

directly relevant here, it is instructive to notice that Del Zoppo conscientiously made the effort not to use the word *Carom* on the covers of the Merdel book.

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Thus, plaintiff's compendium really misses the major points of comparison between the Merdel rule book and that of plaintiff. Even a casual reader of the Merdel book cannot avoid being struck by the different names of the games and their improved description. Put differently, the Del Zoppo-Merdel version is a tightly written and markedly clear exposition of the equipment, the objects of the games, and the manner in which they are played. On the other hand, plaintiff's booklet is obviously a carry-over from its original draftsmanship of many years ago—perhaps even as long ago as the first part of this century. (See DX V through DX V-7). The organization of each set of rules and a description of the part of the board on which one plays each game is far less clear than that of Merdel.

To sum matters up, plaintiff is left with proof only that in respect to games like ring carom, checkers, etc., there is of necessity similarity of some stereotyped words and phrases virtually required, as a practical matter, to discuss or describe the games in question. In my opinion, this is not enough to prove copyright infringement by the Merdel rule book. According to Professor Nimmer, an appropriate standard here is the following: "The wording of instructions

for the playing of a game in itself copyrightable so as to prevent a literal or closely paraphrased copy". *Nimmer on Copyright*, at 537.83 (1971). I hold that, as Del Zoppo testified and as the Merdel game book portrays, he, his printing company and artist substantially achieved the objective of preventing a literal or closely paraphrased copy of the plaintiff's rule book. Not even plaintiff can claim a copyright to the game of Ring Carom or Carroms or checkers or any one of the remaining games which are played on the boards of the parties. Plaintiff has fallen far short of the mark of proving any copyright infringement in this narrow area. See *Morrissey v. Proctor & Gamble Co.*, 379 F.2d 675 (1st Cir. 1967); *Herbert Rosenthal Jewelry Corp. v. Kalpakian*, 446 F.2d 738 (9th Cir. 1971).

In any event, there are two other reasons why plaintiff cannot, in the view of the undersigned, recover on its claim for copyright infringement of its rule book; as discussed below, this claim is barred by the applicable statute of limitations and, as well, by principles of *res judicata*.

To take up the latter point first, it is interesting to recall that in the trademark litigation in the Western District of Michigan, there are no specifically stated claims of infringement of plaintiff's rule book copyright in the final

pleadings. On the other hand, it is to be noted that

Merdel's rule book of 1961 was an exhibit in evidence before that court. Moreover, the very nature of the controversy before the Western District of Michigan suggests that the parties either contemplated or reasonably could have contemplated litigating the infringement issue here under discussion. Finally, I note that the pleadings of the plaintiff contain language which arguably is broad enough to include the rule book within the trademark issues theoretically before that court. Therefore, although defendant's counsel has not argued the point here, it would seem that there is sufficient material to find that the settlement on March 2, 1967 is *res judicata* in respect to the rule book as well as the trademark issues heretofore discussed.

Secondly, the applicable statute of limitations period set forth in a 1957 amendment of the Copyright Act, 17 U.S.C. §115, is three years from accrual of the claim. Given the facts heretofore recited, most importantly the fact that defendant's rule book was one of the exhibits in the Michigan case, it is obvious that Affiliated at the time was well aware of Merdel's 1961 rule book. Put differently, it is obvious that any claim of infringement of the rule book copyright had accrued by 1963 when plaintiff commenced the Michigan suit.

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Therefore, assuming at least *arguendo* that *res judicata* principles do not bar this claim, it seems inescapable that it is time-barred under all of the circumstances of this case. This being so, it is un-

necessary for this court to consider the laches argument of defendant. Accordingly, I conclude that the plaintiff cannot prevail on its claim of infringement of the copyright of its rule book No. 85.

IV

PLAINTIFF'S CLAIM OF UNFAIR COMPETITION ASSERTED AGAINST DEFENDANTS BERNARD CAHN, WILLIAM RICHMAN ASSOCIATES LTD. AND MERDEL

There remains for consideration plaintiff's final claim which, though somewhat ambiguously pleaded and asserted, amounts to a contention that the defendants Bernard Cahn, William Richman Associates Ltd. and Merdel conspired to and effectively succeeded in unfairly competing with plaintiff by use of customers' lists and other trade secrets taken by Cahn when he was fired by plaintiff as of December 31, 1969.

The facts relevant to this claim heretofore have not been sufficiently developed but can be with reasonable brevity. For twenty-six years, Bernard Cahn, a resident of the Bronx, worked for plaintiff or its predecessors as its sales representative for games in the Northeastern region of the United States.

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In November, 1968, apparently because new top management had come to plaintiff, it was decided to fire Mr. Cahn. A representative of plaintiff named

Wolf was sent to break the news; apparently Wolf did the job with little tact—and certainly plaintiff cut Cahn off with no retirement bonus or other tangible recognition of long service. Understandingly, in my view, Cahn felt free to cast around for new employment even though at that time he was well on in years. One of the persons to whom he turned was Mr. Del Zoppo. Thereafter, Del Zoppo suggested to Cahn that perhaps he, Cahn, could make an arrangement with Richman here in New York City to sell Merdel games and, perhaps, products of other manufacturers. Del Zoppo further paved the way for Cahn by conversations with Mr. Richman, the principal officer and sole owner of the Richman firm.

Thus, in January, 1969, Cahn started working for Richman with the understanding that he would sell, among other products, the Merdel game boards. His arrangement has always been that he would act as an independent contractor and receive compensation by splitting commissions with Richman on all sales he made. Cahn's territory for Richman has been roughly the area bounded by Bridgeport on the northeast and continuing down to

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Princeton, New Jersey in the south. As Cahn has correctly pointed out, however, the core of his territory is New York City.

There can be no doubt that officers of Merdel, Richman and Cahn discussed the possibility that Cahn might be able to sell some of his old accounts which he handled for plaintiff. Similarly, as Cahn

has freely admitted, he made some efforts to call on his old customers which he had developed when he was working for plaintiff for so many years. In this connection, it is important to note that there is no evidence that plaintiff extracted a covenant, oral or written, from Cahn not to compete with Affiliated. It is also clear that plaintiff never furnished to Cahn any customer lists or cards; rather, the evidence shows that Cahn himself developed customers for plaintiff's products over the years and kept records of his own on these customers. Finally, although in a few cases Cahn has succeeded in selling Merdel boards to customers to whom he formerly sold for plaintiff, the number of these customers has been surprisingly few; most of these sales, moreover, occurred during a period or periods when plaintiff was unable to deliver its boards to these customers, either because of a protracted strike or for some other reason not clearly indicated by the record evidence.

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To be sure, Cahn's testimony is replete with indications that his affection and respect for his former employer is virtually nil. It is also true that when plaintiff fired Cahn, he departed with certain records, including copies of some old invoices, some old customer lists which he himself had developed and prepared, and the like. Nevertheless, the evidence shows that the firms or persons identified on these lists and records were clearly visible to any and all members of the toy and game industry. The names

and addresses appeared constantly in trade advertisements and trade journals. Moreover, the names were known to any representative of the field by virtue of casual attendance at toy fairs held here in New York and other cities in the continental United States. In sum, the so-called customer lists about which plaintiff makes much in this case were neither confidential to plaintiff nor indeed their own work product. Put differently, it would have been relatively easy for a neophyte in the toy and games field to prepare such a list or lists as were used and taken away by Cahn when he left plaintiff's employ.

Upon the foregoing facts, whatever may have been the secret intentions of Cahn, Del Zoppo and Richman, and however strong Cahn's dislike of plaintiff may now be, there is no

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persuasive evidence that the defendants in question were successful in mounting an effective unfair competition conspiracy or in fact achieving any unfair competition with the plaintiff. To use the more standard phraseology of the law, neither Cahn nor the other defendants appropriated any trade secrets from plaintiff, nor has Cahn used anything in his affiliation with Richman and Merdel other than his own experience, knowledge and competence which he individually acquired in his many years in the toy field. Under these circumstances, the law is clear that plaintiff cannot prevail. See *Fleisig v. Kossoff*, 85 N.Y.S. 2d 449 (Sup. Ct. N.Y. County

1948), *aff'd*. 275 App. Div. 804, 89 N.Y.S. 2d 527 and 275 App. Div. 909, 90 N.Y.S. 2d 273 (1st Dept. 1949).

CONCLUSION

For the foregoing reasons, it is concluded that plaintiff has failed to make out a case on the merits in respect to any of its several claims, except for breach of the March 2, 1967 stipulation or agreement in respect to one feature of Merdel's 1969 carton as heretofore discussed. Defendants are entitled to judgment dismissing any and all other claims asserted by

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plaintiff against them in this litigation with prejudice, there being no just reason for delay of entry thereof. With regard to the still open breach of stipulation damage issue, plaintiff should advise the court and defendants within ten (10) days' hereof that it is ready and willing to go forward with the necessary proof. Upon receipt of such advices from plaintiff or its counsel, this court will fix a hearing date before the undersigned or a United States Magistrate as a master to hear and report.

Finally, the cartons of exhibits are to be picked up by counsel from chambers.

It is so ordered.

Dated: April 30, 1973

H. R. Tyler, Jr.
U.S.D.J.

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REQUEST FOR EXTENSION OF TIME

(Caption Omitted)

(Filed May 11, 1973)

Counsel for plaintiff, Affiliated Hospital Products, Inc., respectfully requests that the ten (10) day period for advising this Court and the defendants herein that it is ready and willing to go forward with proof of damages set in the Opinion in this action dated April 30, 1973 be extended for a period of ten (10) days to and including May 30, 1973. Plaintiff's trial counsel has been and in the near future will be deeply involved in several pending lawsuits, and thus has been unable, and in the near future will be unable, to give consideration to plaintiff's readiness and willingness to go forward with the necessary proof. It is anticipated, however, that counsel will be in a position to make a determination and advise the Court thereof within twenty days.

Counsel for plaintiff has attempted to contact de-

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fendants' trial counsel in an effort to obtain his concurrence in the extension, but has been advised that defendants' counsel is out of the country and cannot be reached. Furthermore, counsel for plaintiff has

been unable to reach defendants' local counsel in this matter.

Respectfully submitted,

KENYON & KENYON REILLY
CARR & CHAPIN
Attorneys for Plaintiff

By ALAN T. BOWES
Alan T. Bowes

Of counsel:

Bill Durkee, Esq., and
Arnold, White & Durkee, Esqs.
Houston, Texas

So ordered.

Dated: May 10, 1973

H. R. TYLER, JR.
U.S.D.J.

CERTIFICATE OF SERVICE (Omitted)

[512]

Kenyon & Kenyon Reilly Carr & Chapin
59 Maiden Lane
New York, N.Y. 10038

BY HAND

May 21, 1973

The Honorable Harold R. Tyler, Jr.
United States District Court
Southern District of New York
Foley Square
New York, New York

Re: Affiliated Hospital Products, Inc.
v. Merdel Game Manufacturing Company,
et al., 69 Civ. 1016 HRT

Dear Judge Tyler:

Plaintiff believes the decision of April 30, 1973 in this litigation will be reversed on appeal, leaving the previously severed amount of damages issue to be tried on remand based on all causes of action.

In view of this belief, further proceedings herein limited to the amount of damages based only on breach of the stipulation, as distinguished from trademark infringement and other causes of action, and further limited to only one feature of Merdel's carton, as distinguished from many other breaches committed by defendant Merdel, appears inappropriate

if we are to conserve energy and time and avoid duplication of expense.

Plaintiff prefers an early appeal, and therefore chooses not to proceed at the present time on such a limited issue.

Very truly yours,

ALAN T. BOWES
Alan T. Bowes
Counsel for Plaintiff

cc: Bill Durkee, Esq.
John D. Tully, Esq.

RECEIVED
May 23, 1973
A.W.& D.

COPY

ORDER

(Caption Omitted)

(Filed November 30, 1973)

WHEREAS this case was tried to the court without a jury on May 31 and June 1, 1972, and

WHEREAS thereafter this court filed its opinion incorporating its findings of fact and conclusions of law herein on April 30, 1973, and

WHEREAS, in the aforesaid opinion, this court concluded that plaintiff had failed to make out a case on the merits in respect to any of its several claims, except for the claim of breach of the March 2, 1967 agreement in respect to one feature of defendant Merdel's 1969 carton, as to which the court directed that plaintiff advise the court and counsel for defendants within ten days of April 30, 1973, whether it was ready and willing to go forward with the necessary proof on this claim, and

RECEIVED

Dec. 7, 1973

A.W.& D.

WHEREAS, notwithstanding the aforesaid direction of the court, the attorneys for plaintiff failed to respond within the said ten day period, and

WHEREAS the undersigned thereupon wrote letters dated June 15 and July 2, 1973 to counsel in this case directing that action be taken to enter a final judgment or to proceed with proof on the issue left open in the opinion of April 30, 1973, and

WHEREAS it appears from the record that neither has counsel for the defendants taken any steps to enter a judgment in this case nor has counsel for the plaintiff endeavored to notify the court that plaintiff wishes to proceed further with proof and evidence,

NOW, THEREFORE, this court, upon its own motion, orders the Clerk of the Court to enter judgment dismissing all of plaintiff's claims, including the one expressly left open by the opinion of this court dated April 30, 1973, without taxing costs, and mark this case closed, and it is further ordered that the Clerk cause to be mailed copies of the within order and the judgment to Arnold, White & Durkee, Esqs., attorneys for plaintiff, and Warner, Norcross & Judd, Esqs., attorneys for defendants.

Dated: November 30, 1973

H. R. TYLER, JR.
U.S.D.J.

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NOTICE OF APPEAL

(Caption Omitted)

(Filed December 28, 1973)

Notice is hereby given that Affiliated Hospital Products, Inc., plaintiff above named, hereby appeals to the United States Court of Appeals for the Second Circuit from the Order and Judgment dismissing all of plaintiff's claims entered in this action on the 30th day of November, 1973.

Dated: December 28, 1973

ALAN T. BOWES

Alan T. Bowes

Attorney for Plaintiff

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& Chapin

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Attorney for Defendants

John D. Tully

Warner, Norcross & Judd

1 Vandenberg Center

Grand Rapids, Michigan 49502

UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT

AFFILIATED HOSPITAL PRODUCTS, INC.)
a corporation,)

Appellant,)

vs.)

MERDEL GAME MANUFACTURING COMPANY,)
a corporation,)

No. 74-1171

WM. RICHMAN ASSOCIATES, LTD.,)
a corporation,)

BERNARD CAHN, an individual,)

Appellees.)
_____)

CERTIFICATE OF SERVICE

I certify that one (1) copy of the Appendix and Exhibit Volumes I and II were mailed to John D. Tully, One Vandenberg Center, Grand Rapids, Michigan 49502, counsel for Merdel Game Manufacturing Company, Wm. Richman Associates, Ltd., and Bernard Cahn, this 7th day of August, 1974.

Donald B. Mann

